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To the Members of the Borough Council

You are summoned to attend an **ordinary meeting** of the **Eastbourne Borough Council to be held at the Town Hall, Eastbourne**, on **Wednesday, 19 February 2014 at 6.00 pm** to transact the following business.

Agenda

- 1. Minutes of the meeting held on 20 November 2013 (previously circulated).**
- 2. Declarations of interests.**

Declarations of disclosable pecuniary interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct (please see note at end of agenda).

3. Mayor's announcements.

4. Notification of apologies for absence.

5. Public right of address.

The Mayor to report any requests received from a member of the public under council procedure rule 11 in respect of any referred item or motion listed below.

6. Order of business.

The Council may vary the order of business if, in the opinion of the Mayor, a matter should be given precedence by reason of special urgency.

7. Amendment to Council procedure rules - Recorded named votes on setting the annual budget and council tax (Pages 1 - 2)

Report of Head of Corporate Development.

8. Council budget and setting of the council tax for 2014/15. (Pages 3 - 106)

Report of Councillor Mattock on behalf of the Cabinet.

9. Matters referred from Cabinet or other Council bodies.

The following matters are submitted to the Council for decision (council procedure rule 12 refers):-

- (a)** Treasury management and prudential indicators 2014/15
(Pages 107 - 108)

Report of Councillor Gill Mattock on behalf of the Cabinet.

10. Motions.

The following motions have been submitted by members under council procedure rule 13:-

- (a)** The future of maternity and paediatric services in Eastbourne.

Motion submitted by Councillor David Tutt, Leader of the Council, and Councillor David Elkin, Leader of the Opposition:

That this Council notes the launch of the consultation process by the Eastbourne, Hailsham and Seaford Clinical Commissioning Group on the proposal document 'Better Beginnings' in respect of the future of NHS maternity, in-patient children's services and emergency gynaecology in East Sussex, and responds to it in detail, with the following key overarching messages:

- 1. Promoting Eastbourne's current and ongoing need for these services having regard to the size and density of our catchment area, the growing overall population, the reducing average age of our population, the potential risks to patients if this is not provided, and the evidence of economic growth in the town.*
- 2. Challenging the assertion that the proposals would result in a safer service than would be the case if full services were maintained at both Eastbourne and Hastings sites and, as a result, maintaining a view that the omission of this as one of the options for consideration, is unacceptable.*
- 3. Having regard to the findings gleaned from the recent Scrutiny Seminar involving members of the Council and representatives of East Sussex Health Trust (ESHT) and the resulting content of the consultation document, the degree of influence that ESHT has had on the options being proposed and our strong concern at the apparent pre-determination of the outcomes of this consultation process.*

Accordingly, the Council authorises both group leaders to co-sign the detailed response, invite the Council's Hospitals Champion, Honorary Freeman Liz Walke, to also co-sign the response on behalf of the 'Save the DGH' Campaign Group, consider the same invitation to any other appropriate co-signatories, and submit it ahead of the consultation deadline date of 8 April 2014.

(b) Sussex Day

Motion submitted by Councillor Philip Ede:

That this council officially recognises Sussex Day on 16th June 2014 and in subsequent years and publicising Sussex Day on its websites and via social media. That this council's events team are tasked with establishing the feasibility of an Eastbourne Sussex Day event for next year, in June 2015, and subject to its findings, commence formulating it.

- (c)** Sovereign Harbour residents' contributions towards sea defence costs

Motion submitted by Councillor Patrick Warner:

This Council accepts that residents have every right to feel that they were failed from the outset and for them to consider that fairness was not at the heart of the agreement which sees a charge put on Harbour residents alone to maintain sea defences. Furthermore, members will instruct officers to look into how best this council can contribute to righting the historic wrongs and ensure that fairness is at the heart of any new agreement in future.

11. Discussion on minutes of council bodies.

Members of the Council who wish to raise items for discussion (council procedure rule 14) on any of the minutes of the meetings of formal council bodies listed below must submit their request to the Head of Corporate Development no later than 10.00 am on Wednesday 19 February 2014. A list of such items (if any) will be circulated prior to the start of the meeting.

The following are appended to this agenda:-

- (a)** Minutes of meeting of Conservation Area Advisory Group held on 19 November 2013 (Pages 109 - 112)
- (b)** Minutes of meeting of Planning Committee held on 26 November 2013 (Pages 113 - 116)
- (c)** Minutes of meeting of Audit and Governance Committee held on 4 December 2013 (Pages 117 - 122)
- (d)** Minutes of meeting of Scrutiny Committee held on 9 December 2013 (Pages 123 - 128)
- (e)** Minutes of meeting of Cabinet held on 11 December 2013 (Pages 129 - 144)

- (f) Minutes of meeting of Conservation Area Advisory Group held on 7 January 2014 (Pages 145 - 148)
- (g) Minutes of meeting of Planning Committee held on 7 January 2014 (Pages 149 - 152)
- (h) Minutes of meeting of General Licensing Committee held on 13 January 2014 (Pages 153 - 158)
- (i) Minutes of meeting of Scrutiny Committee held on 3 February 2014 (to follow)
- (j) Minutes of meeting of Planning held on 4 February 2014 (Pages 159 - 162)
- (k) Minutes of meeting of Cabinet held on 5 February 2014 (Pages 163 - 180)

12. Exclusion of the Public - Motion that:

The remainder of the business of the council concerns the consideration of the confidential proceedings of council bodies. As such, discussion is likely to disclose exempt information within the categories specified either beneath the item or within the open summary of the relevant minutes. Furthermore, in relation to paragraph 10 of schedule 12A, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The public, therefore, should be excluded from the remainder of the meeting.

13. Discussion of minutes of Council bodies.

(See note at item 11 above). A list of items raised by members (if any) will be circulated prior to the start of the meeting.

The following are appended to this agenda:-

- (a) Confidential minutes of meeting of Cabinet held on 11 December 2013 (Pages 181 - 182)
- (b) Confidential minutes of meeting of Cabinet held on 5 February 2014 (Pages 183 - 186)



**Robert Cottrill
Chief Executive**

Guidance notes:

Public right of address - A request by a member of the public to speak on a matter which is listed on either of the agendas must be **received** by no later than 12 noon on Monday 17 February 2014. The request should be made to Local Democracy at the address given inside the cover of this agenda. The request may be made by phone, fax, letter or electronic mail. For further details on the rules about speaking at meetings please contact Local Democracy.

Items for discussion - Members of the Council who wish to raise items for discussion on any of the minutes of council bodies attached to the meeting agenda, are required to notify the Head of Corporate Development by 10am on Wednesday 19 February 2014.

Disclosure of interests - Members should declare their interest in a matter at the beginning of the meeting, and again, at the point at which that agenda item is introduced.

Members must declare the existence and nature of any interest.

In the case of a disclosable pecuniary interest (DPI), if the interest is not registered (nor the subject of a pending notification) details of the nature of the interest must be reported to the meeting by the member and subsequently notified in writing to the Monitoring Officer within 28 days.

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation). If a member has a DPI he/she may not make representations first.

Further information – Councillor contact details, committee membership lists and other related information are also available from Local Democracy.

Local Democracy – 1 Grove Road, Eastbourne, BN21 4TW
Tel (01323) 415003/415021. Text Relay: 18001 01323 410000
Fax (01323) 410322. E Mail: localdemocracy@eastbourne.gov.uk

For general Council enquiries telephone (01323) 410000

E-mail enquiries@eastbourne.gov.uk

Website at www.eastbourne.gov.uk

BODY: COUNCIL

DATE: 5 February 2014

SUBJECT: Amendment to Council procedure rules –
Recorded named votes on setting the annual
budget and council tax

REPORT OF: Peter Finnis – Head of Corporate
Development

Ward(s): All

Purpose: To propose an amendment to the Council’s constitutional procedural rules requiring mandatory recorded named votes when setting the annual budget and council tax.

Contact: Peter Finnis, Head of Corporate Development,
Telephone 01323 415003 or internally on extension
5003.
Peter.finnis@eastbourne.gov.uk

Recommendations: That Council procedure rules be amended to require mandatory recorded named votes on setting the annual budget and council tax in accordance with the requirements of the legislative change.

1.0 Background/Introduction

1.1 The Council has received correspondence from the Government Department for Communities and Local Government (DCLG) stating its intent, under The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, to amend the 2001 regulations in order to require local authorities to undertake recorded named votes when setting the annual budget and council tax, this to include substantive motions and any amendments.

2.0 Government objective

2.1 The primary objective, as stated by the DCLG, is to ensure maximum public transparency in recording how all individual councillors vote on these matters.

2.2 The amended legislation will come into force on 25 February 2014. However, it is the expectation of the Government that authorities holding their annual budget meeting before this date will adopt the new ruling when setting their annual budget and council tax.

3.0 Proposed Procedure

3.1 This Council already has, within its constitutional procedural rules at part 4, section 17, the facility for recorded named votes on any matter at full Council if proposed and seconded by members.

3.2 The proposal here is to insert a specific clause into the constitutional procedural rules to require a mandatory named recorded vote taken along the same lines at present in respect of annual budget and council tax setting.

4.0 Financial and Probity Implications

6.1 There are no financial or probity implications

7.0 Equality and Fairness Considerations

7.1 As this is only a technical change to the process of conducting votes, it is considered that it has no relevance in these matters.

8.0 Summary

8.1 The proposed actions set out in this report will ensure compliance with the new legislation.

Peter Finnis
Head of Corporate Development

Background Papers:

- Letters from the Department for Communities and Local Government dated 4 February 2014.
- Amended legislation as set out on the Government website at www.legislation.co.uk/id/uksi/2014/165

The above background papers are available for inspection from the report author whose contact details are set out at the front of this report.

(council/amendment to constitution/14-02-05)



Meeting: COUNCIL

Date: Wednesday 19 February 2014

Subject: COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2014/2015

Report of: Councillor Gill Mattock, lead Cabinet Member for Finance

The Council is asked to consider the reports to Cabinet, as included in the draft budget book (please see note* below) and also the Scrutiny Committee and Cabinet minutes and resolutions from the meetings held on 3 February and 5 February 2014 (appendix 1).

* Note: The draft budget book 2014/15 has been circulated to all Members of the Council. A copy has also been deposited at the Town Hall Reception for public inspection purposes and on the Council's website.

The reports may also be viewed on the Council's website at:
<http://democracy.eastbourne.gov.uk/ieDocHome.aspx?bcr=1>
 (Go to the listing for the Cabinet meeting held on 5 February 2014)

Please contact Local Democracy (see below for contact details) in the first instance if you require a printed copy of any of the reports.

The resolutions in this report, must include the requirements of all Precepting Authorities, are based on the recommendations made to those Authorities and the budget approved by the Police and Crime Commissioner for Sussex. As the meetings of the East Sussex County Council and the East Sussex Fire Authority will not be held until 11th and 14th February 2014 respectively and the Police and Crime Commissioner for Sussex has not yet issued her precept, these figures are currently left blank and it will be necessary to issue replacement resolutions once this information has been received.

A summary of the demand on the Collection Fund is as follows:

Authority	Precept/Demand		2014/15 Band D Council Tax	Change over 2013/14	
	£	%		£	%
Eastbourne Borough Council	7,202,450	100.00%	224.19	0.00	0.00%
East Sussex County Council					
Sussex Police Authority					
East Sussex Fire Authority					
Total					

After consideration of the foregoing, the Council is asked to approve the following:

1. The recommendations as detailed in the reports from the Chief Finance Officer and the Senior Head of Community to Cabinet on 5 February 2014:
 - (i) The General Fund net expenditure for 2014/15 of £16,926,750, and the growth and savings proposals.
 - (ii) No change to the council tax for Eastbourne Borough Council to a Band D charge of £224.19;
 - (iii) Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2013/14 and the budget for 2014/15, rents and service charges, arrangements for finalising Eastbourne Homes' management fee and annual plan.
 - (iv) General Fund capital programme as set out in the report of the Chief Finance Officer.
 - (v) The Treasury Management Strategy and Prudential Indicators.
2. That consequent upon a General Fund budget of £16,926,750 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £224.19 calculated as follows:

	£'000
Gross Expenditure:	
General Fund	81,102
HRA	15,443
Business Rates payable to Government	10,285
	106,830
Less Income:	
Service Income	(78,778)
Government Formula Grant	(3,736)
Other Government Grants	(3,143)
Business Rates income	(13,971)
	(99,628)
COUNCIL TAX REQUIREMENT	7,202
Band 'D' Council Tax	£224.19

The statutory resolutions relating to this matter are given at paragraphs 3 and 4 below.

3. That it be noted that at its meeting on 11 December 2013 the Cabinet (in exercise of powers delegated to them by the Council) delegated the final determination of the Council Tax Base to the Chief Finance Officer. This has been set at an amount of 32,126.5 Band 'D' equivalent properties for the year 2014/15 (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended).
- 4 Calculate that the Council Tax requirement for the Council's own purposes for 2014/15 as £7,202,450.
5. That the following amounts be now calculated by the Council for the year 2014/15 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:

(a)	£106,829,070	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£99,626,620	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£7,202,450	being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
(d)	£224.19	being the amount at 5(c) above (Item R), all divided by Item T (4 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. .

6. To note that East Sussex County Council, East Sussex Fire and Rescue Authority and Police and Crime Commissioner for Sussex have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, as amended, for each category of dwellings in the Council's area as indicated in the table below.
7. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, as amended, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each of the categories of dwellings. :

Valuation Bands							
EASTBOURNE BOROUGH COUNCIL							
A	£149.46	B	£174.37	C	£199.28	D	£224.19
E	£274.01	F	£323.83	G	£373.65	H	£448.38

EAST SUSSEX COUNTY COUNCIL							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

POLICE AND CRIME COMMISSIONER FOR SUSSEX							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

EAST SUSSEX FIRE AND RESCUE AUTHORITY							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

AGGREGATE OF COUNCIL TAX REQUIREMENTS							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

7. Determine that the Council's basic amount of Council Tax for 2014/15 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2014/15 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992, as amended.

For a copy of the report please contact Local Democracy at 1 Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415021 or 415022.
E-mail: localdemocracy@eastbourne.gov.uk

For further information please contact Alan Osborne, Chief Finance Officer. Tel. (01323) 415149

Minute extracts

Meeting: **Scrutiny**
Date: **3 February 2014**

General Fund Revenue Budget 2014/15 and Capital Programme 2013/17

(to be circulated)

Meeting: **Cabinet**
Date: **5 February 2014**

70 * General Fund Revenue Budget 2014/15 and Capital Programme 2013/17

70.1 Councillor Caroline Ansell addressed the Cabinet proposing that the Council consider allocating a total of £1m in 2014/15 from their reserves towards economic regeneration in Eastbourne to support the creation of new business and jobs. She suggested that the recently established East Sussex Investment Scheme ('Locate East Sussex') could provide a ready made vehicle through which the funds could be managed. Councillor Tutt commented that the Council had already allocated £0.5m to an economic regeneration reserve and he was happy to look further at how best to utilise the Council's funding in partnership with Locate East Sussex. He added a reservation in respect of spending reserves in the short term given future funding uncertainties and the need to ensure that resources were available for initiatives in the longer term. Councillor Tutt committed to liaise with Councillor Elkin, Opposition Leader, and Councillor Ansell on the use of the economic regeneration fund.

70.2 Cabinet considered the report of the Chief Finance Officer setting out the general fund revenue budget proposals for 2014/15 and a 3-year capital programme 2013/17. The medium term financial strategy (MTFS) had been revised in July 2013 and the Cabinet had agreed a draft 2014/15 budget proposal last December. The MTFS and resulting draft budget had been subject to extensive consultation and previously reported to Cabinet and the Scrutiny Committee.

70.3 The budget was the product of various plans and strategies as part of an integrated and corporate planning process and was linked principally to:

- The medium term financial strategy

- Asset management plans
- The corporate plan
- Workforce strategy
- Treasury management strategy
- Service plans
- Housing revenue account business plan
- DRIVE corporate transformation programme
- Sustainable service delivery strategy

70.4 The Chief Finance Officer had a legal responsibility to give positive assurances on the robustness of the estimates used in the budget and the level of reserves. He commented that if the recommendations in his report were agreed then these assurances would prevail.

70.5 The budget proposals included:

- No increase in the council tax in 2014/15.
- Overall savings totalling £0.808m (5% of the net budget).
- Efficiency savings of £0.608 (2.6% of the net budget).
- Inflation of £0.430m (2.6%).
- Other recurring service growth of £0.421m.
- Non recurring service investments of £0.446m.
- General reserves averaging in excess of £3.8m (against a minimum recommended of £2m).
- Capital receipts of £0.8m invested in new capital schemes.

Available earmarked reserves in addition to the budget:

- Strategic change fund £0.7m.

Economic regeneration reserve of £0.5m.

70.6 The budget represented management of financial risks by:

- Building on a balanced outturn position.
- Balancing the base budget requirement without needing to use reserves.
- Identifiable and deliverable savings with accountability and no general unidentified targets.
- Reserves well above the minimum level.
- Zero basing of reward grants.
- Providing the funding required for the DRIVE change programme to deliver the future savings required by the MTFs via the strategic change fund.

70.7 The underlying methods of local government financing were changing significantly from 2013/14 and further revisions for 2014/15 included the wrapping up of grants in the base "Start Up Funding" notably:

- The localisation of council tax grant (previously £1.2m).
- The council tax freeze grant 2013/14.
- New burdens grants.

70.8 The most notable change therefore was to apply the localisation of council tax grant to the same method of distribution as the formula grant (previously it had

been a quid pro quo for the erosion of the tax base) this had meant a further loss of resources for Eastbourne in excess of £150,000. For Eastbourne the headline figures of the 2-year government settlement were:

- A reduction in revenue grants of £0.9m (19%).
- A further cut in baseline funding of £1m (20%) for 2015/16.
- Partially offset by new homes bonus (additional £0.350m in 2014/15 rising by a further £0.4m in 2015/16).

70.9 The national non-domestic business rate base had reduced slightly (£50,000) largely as a result of additional appeals, this was a provisional figure that would not be finalised until 31 January as the government had only just released the form used to calculate the base. In addition to the formula grant, the government was financing the cost of a 1% increase in council tax (£81,000) which it had confirmed would be put in the base for 2015/16 and beyond. The government had announced that Eastbourne would receive £897,000 in total of new homes bonus due to the growth in housing in the area and the further reduction in empty properties. Of this £500,000 would be transferred to the regeneration reserve to fund economic initiatives in line with the MTFS. The grant was paid in tranches for six years. The funding was not guaranteed beyond a 6 year horizon for each tranche. The projected award for 2015/15 was £1.3m. The Council's policy as outlined in the MTFS was to utilise any surplus grant for economic regeneration initiatives. A separate reserve had been set aside for that purpose. The government was financing the additional new homes bonus from reductions in revenue support grant, therefore, whilst volatile, it was becoming the preferred method of distribution of resources.

70.10 No increase in council tax for 2014/15 was proposed and this would result in an unchanged band D rate of £224.19 (14% of the total council tax bill). A summary of the resources available was given, as shown below:

Source:	£'m
Government formula grant	(3.735)
Retained business rates	(3.464)
New homes bonus	(0.897)
Council tax freeze grant	(0.081)
Grant for weekly household collection	(1.300)
Council tax	(7.202)
Collection fund deficit	<u>14</u>
Total resources available (rounded)	(16.665)

In order to achieve a balanced budget without using reserves, the Council would need to set a net expenditure budget for 2014/15 of £16.665m.

70.11 In addition to the general grant distributed through the new formula grant system, which was given towards financing the Council's net expenditure, the Government also provided some specific grants. These specific grants would fund in part or in full, service costs.

Grant	2014/15 £'m
Housing benefit subsidy	(c. 48)
Housing benefit administration	(0.8)
Household collection grant	(1.3)

Housing benefit subsidy was intended to reimburse the Council for the awards of benefit it made to eligible tenants in both the private and public rented sector. Not only is this by far the largest single specific grant that the Council received, but it was performance related. The Council had improved its performance in recent years. A new system of universal credits was due to be completed in October 2017 which would see the caseload moved to the Department for Work and Pensions. Responsibility for council tax benefit had now devolved to a local level. Housing benefit administration grant funded the cost of administering the national housing benefit and local council tax support schemes (a reduction of 10% from the 2013/14 funding) It was noted that the former homelessness grant (to assist with prevention and to find alternative accommodation other than bed and breakfast) had now been subsumed into the main grant system.

70.12 In December the Cabinet put forward their draft budget proposals, the main movements since then were detailed in appendix 1 to the report and summarised below:

Movement from 2013/14 base budget	£m	£m
Change in resources:		
Revenue support grant and new homes bonus	0.6	
Retained business rates	0.1	
Council tax – decrease in tax base/collection	0.1	
Cost increases:		
Inflation	0.4	
Other unavoidable costs increases and changes in income	0.4	1.6
Savings:		
Efficiency savings	(0.6)	
Increased Income	(0.2)	
Reduced contributions to reserves	(0.8)	(1.6)

Details of proposed growth and savings were given in full in appendix 2 to the report. The proposals set out in the report would allow full Council on 19 February to approve a balanced budget in line with available resources and without the need to use reserves.

70.13 The Council now followed a rolling 3-year financial planning cycle and the service and financial plans had been set out in detail for 2014/15. The next MTFS was due in July and would project forward a further 3 years and continue to provide the basis of service and financial planning for the medium term. It was noted that the significant level of the savings required for the next MTFS had

already been identified. Further reports to Cabinet would detail the business plans under the Council's transformation programme (DRIVE). The government had set out a revised 4-year programme of reductions in funding and the Council's current MTFS already took this into account. The change programmes in place, such as the agile working programme and the sustainable service delivery strategy (SSDS) and the rest of the DRIVE programme, would deliver savings over and above the minimum in order to create headroom for investment in priority services.

70.14 The report also detailed the principal financial risks the Council was likely to face, as follows:

- Housing benefit subsidy performance.
- Inflation on goods and services.
- Income from services linked to customer choice (theatres, tourism; sports centres, car parking).
- Demand led services (e.g. bed and breakfast).
- Legal challenges.

On an exception basis, information on each of the risk areas identified above, together with any new and significant risks that might emerge over the course of the year, would be included in each financial performance report to Cabinet and Scrutiny during the 2014/15 financial year.

70.15 A corporate contingency budget of £178,000 for unbudgeted expenditure or reductions in income had been allowed. This was in addition to the known inflation that had been built into service budgets. The Government had announced a 1% cap on pay rises in 2014/15 therefore £120,000 had been included in the contingency. Further, the Council's general fund reserves were anticipated to amount to £3.8m in March 2015 as compared with the Chief Finance Officer's minimum recommended level of £2m.

70.16 The following reserves had been set aside in addition to the general reserve in order to facilitate projects under the DRIVE programme. The available balances at 31 March 2015 were projected to be:

Reserve	Purpose	£'m
Strategic change	To fund internal projects under DRIVE	0.7
Economic regeneration	To promote economic growth	0.5

The Council had followed a process of consolidating its reserves into the corporate reserves above. This better facilitated corporate priority planning. The only other reserves that the Council held had specific obligations attached (e.g. Section 106/partnership contributions).

70.17 The principles for formulating the capital programme were set out in the budget report to Cabinet last December and the updated programme was given in appendix 3 to the report (proposed new schemes were shown in bold text) and showed a projected outturn for 2013/14 of £6.072m; a total budget for 2014/15 of £15.348m; £14.438 for 2015/16; and £6.880m for 2016/17. The Council had a

policy of only using borrowing for schemes that were 'invest to save' and could generate enough savings or additional income to service the financing costs. In addition to schemes that qualified for borrowing, the Council had a further £800,000 of capital receipts to apply to the programme. No uncertain future capital receipts had been factored into the available resource so there would be opportunities to supplement the programme as the 3-year period progressed. Potential disposals would be identified through the asset management plans.

70.18 The HRA capital programme was set out in another report on the agenda (minute 70 below) and was financed entirely from HRA resources. Once approved it would be amalgamated with the general fund programme.

70.19 Councillor Mattock commented that the steps taken by the Council in previous years had ensured the making of significant efficiency savings allowing the Council to adjust to the reduced levels of government funding, the impact of inflation and growth in demand for services without recourse to cuts to front line services, with no increase in the borough's proportion of the council tax for the fifth year running and increased spending in a number of priority areas. On behalf of the Cabinet she expressed her thanks to the Chief Finance Officer, his team and other council staff who had helped in the preparation of this budget.

***70.20 Resolved (budget and policy framework):** (1) That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) A general fund budget for 2013/14 (revised) and 2014/15 (original) as set out in appendix 1 to the report, including growth and savings proposals for 2014/15 as set out in appendix 2 to the report.
- (b) No increase in the council tax for Eastbourne Borough Council resulting in an unaltered 'Band D' charge of £224.19 for 2014/15.
- (c) A general fund capital programme and financing 2013/17 as set out in appendix 3 to the report.

(2) To note that the business rates base for 2014/15 (the setting of which was the subject of a delegation to the Chief Finance Officer in consultation with the lead member for finance) has not yet been finalised but will be reflected in the budget council resolutions to be placed before the Council meeting.

Meeting: **Cabinet**
Date: **5 February 2014**

72 * Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2014/15 and HRA Capital Programme 2013/17

72.1 Cabinet considered the report of the Senior Head of Community and Chief Finance Officer in respect of the rents, service and other charges to be set for all of the council's housing tenants. The report outlined the revenue account budget proposals for 2014/15 and housing capital programme 2013/17 and arrangements for agreeing Eastbourne Homes Limited's (EHL) management fee and delivery plan.

72.2 From the 1 April 2012 the way that council social housing was financed was changed and the HRA became self financing. This meant that expenditure had to be entirely supported from rental and other income. The main tool for the future financial management of the HRA was the 30 year business plan which had been approved by Cabinet on 8 February 2012. The introduction of HRA self financing did not end the requirement to maintain a statutory ring fenced HRA and the Council was still required to maintain a separate account for the income and expenditure on council housing. The report reflected the recommendations made by Eastbourne Homes in relation to the increases in rent levels, service and other charges.

72.3 The HRA revenue budget (appendix 1 to the report) had been produced based on the policies set out in the HRA 30 year business plan and showed an overall surplus of (£307,760) for 2014/15. This was mainly due to a number of favourable factors including the rent and service charge review, the change in requirement for the provision of bad debts and the savings from treasury management activities on borrowing.

70.4 The rent levels had been prepared in accordance with the Council's rent convergence policy and the self financing business plan assumptions. The average increase was 4.68%. Following the change to self financing in the HRA, void rents were recommended to move to target routinely. Service charges, heating and water charges were fixed weekly amounts set at a level to recover the expected actual cost to be incurred for the respective properties in the forthcoming year. Garage rents were recommended to increase in line with the average increase in housing rents 4.68%.

72.5 Total budgeted expenditure on the HRA capital programme was planned at £9,771,000 for 2014/15, £4,258,000 for 2015/16 and £4,195,000 for 2016/17. The decent homes work was due to be completed during 2013/14 and the remodelling of the sheltered accommodation by 2014/15. The major works element of the programme was in line with the asset management plan and the HRA business plan model.

***72.6 Resolved (budget and policy framework):** That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

(a) The HRA budget 2014/15 and revised 2013/14, as set out in appendix 1 to the report;

(b) that rents are set in line with the rent convergence target of 2016 set by Government resulting in an average increase in rents of 4.68%;

(c) that void HRA properties which are due for re-let are moved to target rent automatically;

(d) that service charges for general needs properties are increased by 2.75%, slightly below the RPI index;

(e) that service charges for older persons' sheltered accommodation currently available for let are increased by 4.83%;

(f) that heating costs are set at a level designed to recover the estimated actual cost;

(g) that water charges are set at a level designed to recover the estimated cost of metered consumption;

(e) that garage rents are set to increase by 4.68% in line with the average increase in housing rent;

(f) that delegated authority be granted to the Senior Head of Community, in consultation with the lead Cabinet members for community services and finance and the Chief Finance Officer to finalise Eastbourne Homes' management fee and delivery plan; and

(i) the HRA capital programme as set out in appendix 2 to the report.

Note: See minute 66 above as to disclosure of personal (and non-prejudicial) interest by Councillor Tutt. Councillor Tutt chose to withdraw for this item and Councillor Mattock took the chair.

Local Democracy, 1Grove Road, Eastbourne, BN21 4TW
Tel (01323) 415021/415022 Minicom (01323) 415111 Fax (01323) 410322
E Mail: localdemocracy@eastbourne.gov.uk
www.eastbourne.gov.uk

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1 Introduction

2 Council Budget Summary

Provides a summary of the General Fund Budget for the year by department and the sources of finance for the year.

3 Subjective Analysis

This provides a summary of the General Fund and Housing Revenue Account analysed over the various income and expenditure headings.

4 Service Revenue Budgets

Provides details of the budgets for each of the individual services by department and the year on year movements, covering:

- Corporate Services
- Community Services
- Tourism and Leisure Services
- Housing Revenue Account

5 Capital Programme

Outlines the Council's capital strategy for the next three years, showing the projects planned and the resources available to fund this expenditure.

6 Use of Reserves

Shows estimated use of reserves over the coming year.

7 Definitions of Budget Headings

Provides definitions of the income and expenditure headings that make up each service areas budgets.

8 Budget Reports

This section contains copies of the committee reports that support the budget setting process.

Introduction

The budget is the product of various plans and strategies as part of an integrated corporate planning process and is linked principally to:

- The Medium Term Financial Strategy
- Asset Management Plans
- The Corporate Plan
- Workforce Strategy
- Service Plans
- Treasury Management Strategy
- HRA business plan
- DRIVE corporate transformation programme
- Sustainable Service Delivery Strategy

The budget has also been subject to consultation to allow the community the opportunity to influence spending plans.

The first part of this budget book details the Council's spending plans for 2014-15, and covers:

- General Fund Revenue Account
- Housing Revenue Account
- Capital

Copies of reports are contained within the second part. All reports, including approval of the budget at full Council on 19th February 2014 are also available on the Council's website.

Requests for further information about the budget can be made to Financial Services, Eastbourne Borough Council, 1 Grove Road, Eastbourne BN21 4TW.

Council Budget Summary

2013-14		2014-15				
Original Budget £		Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £
Departmental Services						
12,688,400	Corporate Services	13,521,850	9,079,250	2,714,750	(12,247,150)	13,068,700
2,075,700	Community Services	(3,350)	2,613,150	294,000	(713,850)	2,189,950
4,911,900	Tourism and Leisure Services	2,854,800	3,434,000	1,010,350	(2,165,400)	5,133,750
19,676,000	Total General Fund	16,373,300	15,126,400	4,019,100	(15,126,400)	20,392,400
(3,409,450)	Reversal of capital charges					(4,019,100)
(308,870)	Contributions to/(from) General Fund Working Balances					53,450
1,431,820	Contributions to/(from) other General Fund Balances					500,000
17,389,500	Total General Fund Net Expenditure					16,926,750
Financed By						
4,613,350	Government Grants					3,736,000
1,297,550	Grant to support weekly collection of domestic waste					1,299,700
82,900	Council Tax Grant					80,750
3,503,150	Retained Business Rates					2,859,750
0	Section 31 Business Rates Support Grant					865,500
556,650	New Homes Bonus					896,700
22,200	Contribution to/from Council Tax Deficit/Surplus					(14,100)
7,280,950	Council Tax Collection Fund Precept					7,202,450
32,750	Localisation of Council Tax benefit support transition					0
17,389,500	Total Financing					16,926,750
General Fund Working Balance						
3,756,286	In hand at 1st April					3,692,534
(308,870)	Withdrawal/Addition From/To Working Balance					53,450
3,447,416	In hand at 31st March					3,745,984

Analysis of Gross Expenditure and Income For 2014-2015

	Corporate Services	Community Services	Tourism & Leisure Services	General Fund Total	Housing Revenue Account	Eastbourne Total
	£	£	£	£	£	£
Employees	6,242,550	2,406,050	3,640,600	12,289,200	106,300	12,395,500
Premises	1,712,600	555,000	1,322,050	3,589,650	326,950	3,916,600
Transport	99,500	16,750	54,250	170,500	1,800	172,300
Supplies and Services	2,560,500	1,532,800	6,047,550	10,140,850	159,900	10,300,750
Third Party Payments	5,501,150	276,200	27,400	5,804,750	6,904,000	12,708,750
Transfer Payments	0	46,216,250	0	46,216,250	65,000	46,281,250
Support Service Costs	9,079,250	2,613,150	3,434,000	15,126,400	574,050	15,700,450
Depreciation and Impairment Charges	2,714,750	294,000	1,010,350	4,019,100	4,500,250	8,519,350
Gross Expenditure	27,910,300	53,910,200	15,536,200	97,356,700	12,638,250	109,994,950
Specific Government Grants	(48,650)	(45,956,950)	0	(46,005,600)	0	(46,005,600)
Other Grants and Contributions	(811,900)	(2,014,000)	(816,400)	(3,642,300)	(18,300)	(3,660,600)
Customer and Client Receipts	(2,909,500)	(2,734,150)	(7,420,650)	(13,064,300)	(982,750)	(14,047,050)
Other Income	0	0	0	0	0	0
HRA Rents	0	0	0	0	(14,439,200)	(14,439,200)
Interest Receipts	(48,000)	(900)	0	(48,900)	(2,450)	(51,350)
Recharges Support Services	(12,520,800)	(1,014,250)	(2,165,400)	(15,700,450)	0	(15,700,450)
Total Income	(16,338,850)	(51,720,250)	(10,402,450)	(78,461,550)	(15,442,700)	(93,904,250)
Capital Financing Costs				1,113,450	1,996,750	3,110,200
Use of Reserves				0	807,700	807,700
Capital Charged to Revenue				383,800	0	383,800
Reversal of Depreciation				(4,019,100)	0	(4,019,100)
Total				16,373,300	0	16,373,300

CORPORATE SERVICES

2013-14		CORPORATE SERVICES					2014-15	
Original Budget £	Ref	Service	Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £	
Senior Management								
	0 C1	Chief Executive	156,750	60,450	0	(217,200)	0	
562,850	C2	Corporate Management	(65,650)	868,800	0	0	803,150	
	0 C3	Deputy Chief Executive	86,400	76,350	0	(162,750)	0	
	0 C4	Senior Head of Development and Environment Services	90,050	91,850	0	(181,900)	0	
562,850		Total Senior Management	267,550	1,097,450	0	(561,850)	803,150	
Corporate Financial Services								
	0 C5	Chief Finance Officer	84,850	29,550	0	(114,400)	0	
	0 C6	Financial Services Manager	56,450	55,050	0	(111,500)	0	
0		Service Management	141,300	84,600	0	(225,900)	0	
0	C7	Strategic Finance	47,050	15,700	0	(62,750)	0	
35,450	C8	Civil Contingencies	26,250	8,750	0	0	35,000	
	0 C9	Accountancy	177,050	196,750	0	(373,800)	0	
	0 C10	Insurance Administration	(5,550)	21,800	0	(16,250)	0	
	0 C11	Finance Systems Support	87,800	11,300	34,150	(133,250)	0	
	0 C12	Purchasing & Payments	56,200	185,750	0	(241,950)	0	
	0 C13	Debtors	43,400	100,250	0	(143,650)	0	
0		Finance Management and Operational Costs	358,900	515,850	34,150	(908,900)	0	
192,200	C14	Corporate Management Finance	175,100	5,400	0	0	180,500	
193,900	C15	Corporate Contingencies	177,850	0	0	0	177,850	
19,000	C16	Grants & Subscriptions	24,850	0	0	0	24,850	
0	C17	Insurances	30,500	800	0	(31,300)	0	
192,750	C18	Precepts & Levies	193,200	0	0	0	193,200	
1,649,700	C19	Treasury Management	1,649,700	0	0	0	1,649,700	
2,247,550		Corporate Management Finance Costs	2,251,200	6,200	0	(31,300)	2,226,100	
0	C20	Internal Audit	124,400	37,950	0	(162,350)	0	
	0 C21	Payroll and information	85,200	29,800	0	(115,000)	0	
	0 C22	Pay Review	5,000	0	0	(5,000)	0	
355,500	C23	Unfunded Pensions	607,850	0	0	0	607,850	
355,500		Payroll	698,050	29,800	0	(120,000)	607,850	
2,638,500		Total Financial Services	3,647,150	698,850	34,150	(1,511,200)	2,868,950	

CORPORATE SERVICES

2013-14		CORPORATE SERVICES					2014-15	
Original Budget £	Ref	Service	Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £	
Corporate Development								
	0 C24	Head of Corporate Development	111,150	102,100	0	(213,250)	0	
	0 C25	Senior Local Democracy Officer	32,500	18,950	0	(51,450)	0	
80,000	C26	Devolved Budgets	90,000	0	0	0	90,000	
80,000		Service Management	233,650	121,050	0	(264,700)	90,000	
	0 C27	Personal Assistants	118,400	39,600	0	(158,000)	0	
553,800	C28	Member and Civic Services	353,350	236,700	0	0	590,050	
	0 C29	Printing Services	(25,900)	59,600	0	(33,700)	0	
553,800		Civic Services including Printing	445,850	335,900	0	(191,700)	590,050	
4,100	C30	Municipal Elections	0	0	0	0	0	
165,650	C31	Electoral Services	130,500	36,250	0	0	166,750	
(6,500)	C32	Land Charges	(78,350)	70,050	0	0	(8,300)	
163,250		Elections and Local Land Charges	52,150	106,300	0	0	158,450	
	0 C33	Strategic Development	79,750	36,100	0	(115,850)	0	
	0 C34	Corporate Improvements	11,650	1,250	0	(11,650)	1,250	
0		Strategic Development	91,400	37,350	0	(127,500)	1,250	
0	C35	Legal Services	220,000	84,600	0	(304,600)	0	
	0 C36	Human Resources Manager	73,300	43,350	0	(116,650)	0	
	0 C37	Human Resources Administration	35,750	20,650	0	(56,400)	0	
0		Human Resources Management and Admin	109,050	64,000	0	(173,050)	0	
	0 C38	Employee Relations	44,300	51,700	0	(96,000)	0	
	0 C39	Occupational Health	19,500	2,800	0	(22,300)	0	
0		Employee Relations	63,800	54,500	0	(118,300)	0	
71,650	C40	Member Development	52,200	14700	0	0	66,900	
	0 C41	HR Resourcing and Development	54,900	56,050	0	(110,950)	0	
	0 C42	Corporate Training	87,550	800	0	(88,350)	0	
0		HR Resourcing and Development	142,450	56,850	0	(199,300)	0	
868,700		Total Corporate Development	1,410,550	875,250	0	(1,379,150)	906,650	

CORPORATE SERVICES

2013-14		CORPORATE SERVICES					2014-15	
Original Budget £	Ref	Service	Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £	
		Infrastructure						
0	C43	Senior Head of Infrastructure	85,800	156,850	0	(242,650)	0	
0	C44	IT Staff	(7,750)	37,050	0	(29,300)	0	
0	C45	IT Systems Administration and Support	724,000	121,600	2,600	(848,200)	0	
0	C46	IT Contracted Services	714,400	74,700	834,550	(1,623,650)	0	
0	C47	IT Projects	279,750	206,050	0	(485,800)	0	
0		IT & E-Government	1,710,400	439,400	837,150	(2,986,950)	0	
118,800	C48	Facilities Management	383,150	435,250	382,150	(1,120,400)	80,150	
0	C49	Head of Customer First	72,600	101,500	0	(174,100)	0	
0	C50	Service Improvement and Development	86,000	30,100	0	(116,100)	0	
0	C51	Customer Contact Team	432,800	428,100	0	(860,900)	0	
0	C52	Telephony. Mobile Phones and Postage	42,500	16,350	0	(58,850)	0	
0		Neighbourhood First Team	451,200	173,150	0	(624,350)	0	
388,450	C53	Public Conveniences	314,150	18,600	54,350	0	387,100	
(306,050)	C54	Car Parking	(377,050)	157,450	2,750	0	(216,850)	
71,150	C55	Miscellaneous Highways	22,950	4,600	32,700	0	60,250	
178,200	C56	Community Enforcement	(850)	24,350	0	0	23,500	
74,300	C57	Pest Control	(6,000)	58,700	0	0	52,700	
0	C58	Case Management Team	421,350	208,400	0	(629,750)	0	
23,600	C59	Memorial Seats	3,000	4,350	0	0	7,350	
42,750	C60	Abandoned Vehicles	4,000	30,200	0	0	34,200	
74,150	C61	Building Control	76,100	2,200	0	0	78,300	
0	C62	Specialist Advisory Team	944,800	369,600	0	(1,314,400)	0	
0	C63	Cleansing Admin	50,250	25,000	0	(75,250)	0	
2,710,850	C64	Refuse Collection	1,384,350	691,700	0	0	2,076,050	
322,200	C65	Recycling	351,250	86,250	5,800	0	443,300	
417,650	C66	Street Cleaning	1,209,700	134,150	0	0	1,343,850	
1,393,250	C67	Parks and Gardens	1,025,450	257,900	145,450	0	1,428,800	
144,050	C68	Open Downland	(7,100)	100,050	4,700	0	97,650	
111,400	C69	Trees & Woodland	8,650	60,450	0	0	69,100	

CORPORATE SERVICES

2013-14				2014-15			
Original Budget £	Ref	Service	Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £
0	C70	General Engineering	26,150	0	0	(26,150)	0
16,750	C71	CCTV	11,550	4,100	0	0	15,650
189,350	C72	Seafront/Parades & Decorative Lighting	(18,050)	37,550	19,800	0	39,300
1,101,400	C73	Coast Protection	90,950	61,550	942,900	0	1,095,400
	C74	Flood Defence and Land Drainage	0	27,900	0	0	27,900
254,450	C75	Development Control	(232,050)	555,100	0	0	323,050
552,300	C76	Planning Policy & Strategy	108,000	319,400	1,800	0	429,200
286,100	C77	Economic Development	14,750	210,350	15,600	0	240,700
48,400	C78	Environmental Partnership	48,100	52,150	0	0	100,250
101,150	C79	EH Licensing	(190,800)	226,150	0	0	35,350
111,450	C80	Health & Safety	0	70,900	0	(34,000)	36,900
237,850	C81	Environmental Protection	32,650	163,400	1,250	0	197,300
14,000	C82	Gypsy and Traveller Site Provision	14,000	0	0	0	14,000
222,850	C83	Food Safety	11,850	135,650	0	0	147,500
111,450	C84	Animal and Public Health	28,500	17,300	0	0	45,800
8,893,450		Customer First	6,455,700	4,864,650	1,227,100	(3,913,850)	8,633,600
(158,850)	C85	Farms and Downs Water Supply	(168,950)	61,750	3,550	0	(103,650)
0	C86	Estates and Asset Management	383,400	147,700	0	(531,100)	0
155,550	C87	Corporate Property	(259,300)	302,100	230,650	0	273,450
(390,600)	C88	Investment Property	(393,600)	0	0	0	(393,600)
(393,900)		Estates / Asset Management	(438,450)	511,550	234,200	(531,100)	(223,800)
8,618,350		Total Infrastructure and Customer First	8,196,600	6,407,700	2,680,600	(8,794,950)	8,489,950
12,688,400		TOTAL CORPORATE SERVICES	13,521,850	9,079,250	2,714,750	(12,247,150)	13,068,700

CORPORATE SERVICES BUDGET CHANGES		
Service Area	Description	£'000
All	2013-2014 Base budget (including Customer First restructure)	12,688,400
Agreed Savings:		
Efficiency Savings		
High Level Service	SSDS (Future Model Phase 1)	(300,000)
Financial Services	Pay Review - New scheme embedded. Historical budget	(15,000)
Financial Services	Cash Collection contract savings	(1,000)
Financial Services	Financial Services Restructure - Overachievement of 2013/14 restructure target	(20,000)
Strategic Development	Cease subscription to Local Futures data source	(5,000)
IT and E Government	IT Contract savings	(11,000)
Specialist Advisory Team	Waste contract savings - provisional sums not required	(170,000)
		(522,000)
Income Generation		
High Level Service	Wi-Fi Project	(25,000)
Other Changes		
Financial Services	Unfunded pensions - Reduction in cpi prediction for 13/14 and fall out of pensioners	(23,450)
Cost Pressures:		
Inflation		
		448,050
Changes in Income targets		
Neighbourhood First Team	Unachievable Hyde Gardens parking income target	25,000
Neighbourhood First Team	Unachievable fixed penalty notice income target	6,000
		31,000
Other Growth		
Financial Services	Licence and support costs moving to hosted solution for ICON system	9,000
Financial Services	Valuation costs to carry out annual desktop review of all non-current assets, including Heritage Assets	5,000
Strategic Development	Subscription to ESD toolkit for national based data	1,000
IT and E Government	Wi Fi Upgrade - Existing Devonshire Park wifi is no longer fit for purpose. This will support a robust, fit for purpose corporate public wifi solution with content filtering for legal compliance.	5,000
IT and E Government	Government Connect - To fund additional security devices and specialist security consultancy to meet ongoing Government Connect requirements.	10,000
Systems Administration and Support	Future Model Phase 2 systems annual support and maintenance - essential to maintain systems that underpin the model (part of original business case).	90,000
Specialist Advisory Team	Evidence and background studies provided by external consultants to inform production of our Local Plans in accordance with the Local Development Scheme	20,000
Specialist Advisory Team	Marketing budget for CEPE to engage on active, healthy and low carbon lifestyles	20,000
Service Improvement and Development	Mosaic Public Service - Improved tool to replace Local Futures (offered as saving under Corporate Services) and provide detailed demographic data to ensure service improvement work is evidence based and is as effective as possible.	5,000
		165,000
Non Recurring Service Investments		
Estates Management	Future years subject to re-structure to Corporate Landlord model	177,000
Specialist Advisory Team	Review EB Park Flood Storage Scheme	65,000

CORPORATE SERVICES BUDGET CHANGES		
Service Area	Description	£'000
Specialist Advisory Team	Green Flag Parks management plans	15,000
Specialist Advisory Team	Activating Eastbourne - To enable the Big week of Work and 50+ employment workshop to take place	5,000
Specialist Advisory Team	Risk assessment of Eastbourne's vulnerabilities to a changing climate - consultants report to understand impact of changing climate on the town	25,000
Specialist Advisory Team	Environmental enhancements for provision of shade and additional pollinating insect habitat	15,000
Neighbourhood First Team	Prevention activities to fund literature, branding, conference facilities to enable the Neighbourhood First Team to build stronger links with communities, engaging with specific groups on specific problems	7,000
		309,000
Other Budget Movements		
Various	Permanent budget virements	(227,700)
Various	Reversal of 2013/14 non recurring service investments	(214,250)
Various	Support services recharges	(172,600)
Various	Depreciation	612,250
		(2,300)
Total Changes		380,300
2014-2015 Budget		13,068,700

COMMUNITY SERVICES

2013-14						2014-15		
Original Budget £	Ref	Service	Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £	
		Senior Management						
0	CS1	Senior Head of Community Services	(38,050)	226,400	0	(188,350)	0	
0		Total Senior Management	(38,050)	226,400	0	(188,350)	0	
		Direct Assistance						
0	CS2	Housing Services Management	62,750	98,000	0	(160,750)	0	
0	CS3	Head of Revenues & Benefits	67,500	79,650	0	(147,150)	0	
269,100	CS4	Fraud Investigation	161,150	133,750	0	0	294,900	
390,100	CS5	Benefits Administration	(116,900)	656,100	0	0	539,200	
(328,050)	CS6	Housing Benefits & Payments Subsidy	(397,400)	11,800	0	0	(385,600)	
928,000	CS7	Revenues	451,800	443,800	1,150	0	896,750	
(37,300)	CS8	Business Rates	(104,550)	45,750	0	0	(58,800)	
29,850	CS9	Discretionary Rate Relief	0	0	0	0	0	
1,251,700		Revenues and Benefits	61,600	1,370,850	1,150	(147,150)	1,286,450	
20,450	CS10	Choice Based Lettings	5,600	12,550	0	0	18,150	
5,800	CS11	Child Safety Equipment	5,000	3,150	0	0	8,150	
205,400	CS12	Housing Needs	108,900	77,950	0	0	186,850	
11,100	CS13	Supporting People	0	0	0	0	0	
4,450	CS14	Enhanced Housing Options	0	0	0	0	0	
31,750	CS15	Housing Needs Grants	36,500	10,450	0	0	46,950	
9,900	CS16	Housing GF Properties	0	8,350	5,350	0	13,700	
288,850		Housing Needs	156,000	112,450	5,350	0	273,800	
19,000	CS17	Bed and Breakfast Accommodation	6,100	23,500	0	0	29,600	
1,550	CS18	Housing Leasing Scheme	0	5,450	0	0	5,450	
54,450	CS19	Homeless Prevention	97,900	66,750	0	0	164,650	
5,950	CS20	Voluntary Sector	40,000	0	0	0	40,000	
12,550	CS21	Repossession Prevention Fund	0	0	0	0	0	
4,500	CS22	Deposit Loan Scheme	23,000	9,100	0	0	32,100	
98,000		Homelessness	167,000	104,800	0	0	271,800	
10,500	CS23	Difficult Properties	6,000	20,400	0	0	26,400	
369,150	CS24	EH Private Sector Housing	191,450	141,000	0	0	332,450	
379,650		Private Sector Housing	197,450	161,400	0	0	358,850	
132,400	CS25	Ocklynge Cemetery	76,900	55,050	10,600	0	142,550	
31,500	CS26	Langney Cemetery	(19,650)	55,050	7,900	0	43,300	
(819,750)	CS27	Crematorium	(1,129,950)	143,700	126,300	0	(859,950)	
0	CS28	Cems and Crem Management & Admin	119,200	98,400	0	(217,600)	0	
(655,850)		Bereavement Services	(953,500)	352,200	144,800	(217,600)	(674,100)	

COMMUNITY SERVICES

2013-14							2014-15	
Original Budget £	Ref	Service	Net Operational Cost £	Support Costs £	Capital Charges £	Reallocations £	Original Budget £	
1,362,350		Total Direct Assistance	(308,700)	2,199,700	151,300	(525,500)	1,516,800	
		Community Activity						
180,350	CS29	Community Development	128,800	59,700	0	0	188,500	
2,000	CS30	Community Centres	(19,200)	350	5,950	0	(12,900)	
182,350		Community Development	109,600	60,050	5,950	0	175,600	
350,550	CS31	Community Grants	374,500	2,000	0	0	376,500	
119,200	CS32	Community Involvement	69,800	50,000	0	0	119,800	
652,100		Total Community Activity	553,900	112,050	5,950	0	671,900	
		Strategic Partnership						
141,700	CS33	Housing Strategy	67,900	61,600	0	0	129,500	
12,950	CS34	Homelessness Economic Downturn	0	3,150	0	0	3,150	
(150)	CS35	Riverbourne and Upwyke House Restaurants	(1,000)	1,300	0	0	300	
154,500		Housing / Homelessness Strategy	66,900	66,050	0	0	132,950	
(93,250)	CS36	Solarbourne	(277,400)	8,950	136,750	0	(131,700)	
61,250		Total Strategic Partnership	(210,500)	75,000	136,750	0	1,250	
2,075,700		TOTAL COMMUNITY SERVICES	(3,350)	2,613,150	294,000	(713,850)	2,189,950	

COMMUNITY SERVICES BUDGET CHANGES		
Service Area	Description	£'000
All	2013-2014 Base budget	2,075,700
Agreed Savings:		
Efficiency Savings		
Bereavement Services	Reduced Gas consumption	(30,000)
Housing	Management changes - vacant post	(43,550)
Housing	Shared initiatives post no longer in operation	(10,000)
		(83,550)
Income Generation		
Bereavement Services	RPI Fee Increase base cremation	(39,250)
Bereavement Services	RPI Fee Increase other services	(3,150)
Bereavement Services	RPI Fee Increase memorial	(5,150)
Bereavement Services	RPI Fee Increase burial	(15,450)
Revenues & Benefits	Housing Benefit Overpayment Income - Increased recovery on outstanding debt - based on current performance	(60,000)
		(123,000)
Other Changes		
Housing	Brighton Housing Trust Grant	(5,000)
Community Development	Reduction in Rent Support Grant	(2,500)
		(7,500)
Cost Pressures:		
Inflation		
		(9,350)
Changes in income target		
Bereavement Services	Reduction in burial income due to Ocklynge and Langney cemeteries space restriction	28,300
Other Growth		
Bereavement Services	Increase in cost of boiler maintenance /servicing and replacement of main chapel loop system	5,000
Revenues & Benefits	DWP/LCT Admin Grant reduction	80,400
		85,400
Non Recurring Service Investments		
Housing	Contribution to Intensive Family Intervention Project	12,000
Revenues & Benefits	Bailiff contract - Specialist advice to draw up contract specification	5,000
Revenues & Benefits	Increase in Capita telephone contract costs - phase 2 implementation will reduce cost	30,000
Revenues & Benefits	New Homes Bonus - Invest to increase income - to fund review of empty properties to ensure maximum uptake of New Homes Bonus	35,000
Revenues & Benefits	Liberata overpayment software - Invest to increase income - to fund software to maximise overpayment recovery	7,000
Community Development	Funding to continue fixed term Community Post for full year pending implementation of Future Model phase 2	11,050
		100,050
Other Budget Movements		
Various	Permanent budget virements	188,250
Various	Reversal of 2013/14 non recurring service investments	(35,750)
Various	Support services recharges	(27,800)
Various	Depreciation	(800)
		123,900
Total Changes		114,250
2014-2015 Budget		2,189,950

TOURISM AND LEISURE SERVICES

2013-14			2014-15				
Original Budget	Ref	Service	Net Operational Cost	Support Costs	Capital Charges	Reallocations	Original Budget
£			£	£	£	£	£
0	T1	Senior Head of Tourism Services	97,750	194,650	0	(292,400)	0
0		Senior Management	97,750	194,650	0	(292,400)	0
32,150	T2	Sports Grounds	6,450	6,150	8,650	0	21,250
0	T3	Sport, Youth and Leisure Manager	48,400	65,700	0	(114,100)	0
454,550	T4	Sports & Community Centres	308,650	202,950	29,200	0	540,800
368,850	T5	Leisure Contract	(48,950)	17,400	389,100	0	357,550
855,550		Sport & Leisure	314,550	292,200	426,950	(114,100)	919,600
0	T6	Theatres Admin	487,600	259,900	0	(747,500)	0
352,300	T7	Congress Theatre	(81,300)	274,400	173,450	0	366,550
496,500	T8	Devonshire Park Theatre	145,300	272,300	83,150	0	500,750
147,900	T9	Royal Hippodrome	24,100	239,150	3,950	0	267,200
424,000	T10	Winter Garden Theatre	144,200	85,150	107,000	0	336,350
1,420,700		Theatres	719,900	1,130,900	367,550	(747,500)	1,470,850
(90,350)	T11	Holywell Chalets	(100,550)	12,950	8,950	0	(78,650)
307,800	T12	Tourism Development	286,700	205,750	1,650	(152,050)	342,050
6,700	T13	Communications Unit	6,600	250	0	0	6,850
86,750	T14	Conference & Group Travel	49,700	38,750	0	0	88,450
138,850	T15	Tourist Information	80,700	67,050	7,650	0	155,400
139,150	T16	Seafront Attractions	36,350	221,000	22,900	(172,250)	108,000
255,850	T17	Redoubt & Wish Tower Museums	165,750	95,250	4,550	0	265,550
(19,200)	T18	Catering Outsourcing	25,350	543,850	8,200	(404,550)	172,850
825,550		Tourism	550,600	1,184,850	53,900	(728,850)	1,060,500
720,800	T19	Events	503,950	363,050	102,100	(282,550)	686,550
91,200	T20	Tennis	(12,850)	59,650	0	0	46,800
812,000		Events & Devonshire Park	491,100	422,700	102,100	(282,550)	733,350
998,100	T21	Towner	680,900	208,700	59,850	0	949,450
4,911,900		TOTAL TOURISM AND LEISURE SERVICES	2,854,800	3,434,000	1,010,350	(2,165,400)	5,133,750

TOURISM & LEISURE SERVICES BUDGET CHANGES		
Service Area	Description	£'000
All	2013-2014 Base budget	4,911,900
Agreed Savings:		
Efficiency Savings		
Events	Purchase of new racking system reducing hire costs for the Beer Festival	(2,000)
		(2,000)
Income Generation		
Events	Increase in participation in Beachy Head Marathon	(4,000)
Events	Increased income for Spring Event.	(12,000)
Events	Additional income/saving from Banners	(6,000)
		(22,000)
Cost Pressures:		
Inflation		
		41,300
Other Growth		
Events	Cost of the new Walking Festival which presents a risk as costs are not fully known and income is dependent on good weather.	7,000
Tourism	Finance officer - The Catering service was brought back in house without the transfer of finance staff, this will build this requirement back into the service.	25,000
Tourism	Tennis Catering Contract - The contract for providing catering to the AEGON International was not part of the transfer to in house provision	80,000
		112,000
Non Recurring Service Investments		
Events	Purchase plastic chairs, tables and patio heaters to replace broken stock and improve bar catering offer	1,000
Events	Samsonite folding seats to replace rusting/ broken stock for use during tennis tournaments and events	5,000
Events	Hand held radios	2,400
Events	Pedestrian Sprayer	5,000
Events	Lamppost banner advertising - Invest to save	5,700
Sport and Leisure	Tennis Development to support the coaching aspects of the Capital development bid to the Tennis Foundation - which will provide information, advice and guidance, booking software and court improvements.	6,000
Tourism	Beach House water connections to provide their own water supply enabling them to open in the winter. We receive an income from their lease.	4,000
Tourism	Engine for the Lifeguards boat - engine is now ten years old and showing signs of failure.	3,000
Tourism	Additional showers on the seafront to improve the visitor offer - we currently offer just two beachfront showers	5,000
		37,100
Other Budget Movements		
Various	Permanent budget virements	97,800
Various	Reversal of 2013/14 non recurring service investments	(240,950)
Various	Support services recharges	200,400
Various	Depreciation	(1,800)
		55,450
Total Changes		221,850
2014-2015 Budget		5,133,750

Housing Revenue Account

Ref		2013-14 Original Budget £	2013-14 Revised Budget £	2014-15 Original Budget £
	Income			
H1	Gross Rents	14,051,000	14,051,000	14,439,200
H2	Charges for Services	891,850	921,850	917,550
	Gross Income	14,942,850	14,972,850	15,356,750
	Expenditure			
H4	Management Fee	6,804,000	6,814,000	6,714,000
H5	Supervision and Management	1,293,300	1,297,300	1,254,800
H6	Provision for Doubtful Debts	470,000	89,100	126,500
H7	Depreciation and Impairment of Fixed Assets	3,904,300	3,936,600	4,106,950
H8	Statutory Contribution to the General Fund - Rent Rebates	12,500	12,500	0
	Gross Expenditure	12,484,100	12,149,500	12,202,250
	Net Cost of HRA Services	(2,458,750)	(2,823,350)	(3,154,500)
H9	Loan Charges - Interest	2,114,600	2,048,900	1,955,950
H10	Interest Receivable	(20,800)	(8,600)	(2,450)
	Net Operating Surplus	(364,950)	(783,050)	(1,201,000)
	Appropriations			
H11	Capital Expenditure Charged to Revenue	468,100	468,100	393,300
	Transfers to Reserve	0	0	500,000
	Housing Revenue Account (Surplus)/Deficit	103,150	(314,950)	(307,700)
H12	In hand at 1st April	(2,017,215)	(2,178,750)	(2,493,700)
H13	Withdrawal/(Addition)	103,150	(314,950)	(307,700)
	In hand at 31st March	(1,914,065)	(2,493,700)	(2,801,400)

HOUSING REVENUE ACCOUNT BUDGET CHANGES

	£'000
2013-2014 Base budget	103,150
Changes in income	
Gross Rents	(388,200)
Charges for Services	(25,700)
Expenditure Changes	
Management Fee	(90,000)
Supervision and Management	(38,500)
Provision for Doubtful Debts	(343,500)
Statutory Contribution to the General Fund - Rent Rebates	(12,500)
Depreciation	202,650
Changes in debt management costs	
Loan Charges - Interest	(158,650)
Interest Receivable	18,350
Changes in Appropriations	425,200
2014-15 Budget	(307,700)

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2013 to 2017

	Total revised 2013/14	Total 2014/15	Total 2015/16	Total 2016/17
	£	£	£	£
<u>Capital Programme</u>				
Community Services	1,138,550	6,367,650	7,841,000	6,000,000
Tourism & Leisure	36,700	481,100	0	0
Customer First	753,700	1,569,600	1,946,000	300,000
Corporate & Core Services	3,426,200	4,945,500	4,070,000	80,000
Asset Management	717,000	1,984,300	581,000	500,000
Total Programme	6,072,150	15,348,150	14,438,000	6,880,000
<u>Financed By:-</u>				
Capital Receipts GF	679,050	1,301,200	446,000	0
Grants and Contributions	995,050	6,714,850	9,341,000	6,300,000
Revenue Contribution to Capital	514,200	1,091,600	495,000	0
Section 106 Contributions	472,500	368,000	0	0
Borrowing	3,411,350	5,872,500	4,156,000	580,000
Total Financing	6,072,150	15,348,150	14,438,000	6,880,000

CAPITAL PROGRAMME

Community Services	Total revised 2013/14	Total 2014/15	Total 2015/16	Total 2016/17
	£	£	£	£
<i>Scheme</i>				
<u>Crematorium</u>				
Cremator Replacement	36,650	0	0	0
Memorial Safety Cems	0	34,000	0	0
Digitalise Burial Records	0	10,000	0	0
Ocklynge Cemetery Chapel	0	150,000	0	0
Barbican Memorial Scheme	0	5,000	0	0
Main Chapel Refurb - Phase 2	0	26,000	0	0
Crematorium - Main Chapel	0	21,000	0	0
	36,650	246,000	0	0
<u>Housing Grants</u>				
Disabled Facilities Grants	388,800	807,650	663,000	0
BEST Grant (housing initiatives)	106,100	213,000	178,000	0
	494,900	1,020,650	841,000	0
<u>Social Housing Enabling</u>				
3-17 Jevington Gardens - GF	435,000	0	0	0
Housing Regeneration - Block Allocation	0	5,081,000	7,000,000	6,000,000
Willingdon Trees Multi Gym	0	20,000	0	0
Solar Panels	172,000	0	0	0
	607,000	5,101,000	7,000,000	6,000,000
Total - Community Services	1,138,550	6,367,650	7,841,000	6,000,000

CAPITAL PROGRAMME

Tourism & Leisure Services	Total revised 2013/14	Total 2014/15	Total 2015/16	Total 2016/17
	£	£	£	£
<i>Scheme</i>				
Redoubt Fortress Gates	5,400	0	0	0
Redoubt Fortress Gates (2013)	22,300	0	0	0
Volleyball Court	0	25,000	0	0
Signage	0	16,100	0	0
Sports Park Flood Lights	0	30,000	0	0
ILTC Seat replacement	5,000	0	0	0
Re-surface Tennis Courts	0	170,000	0	0
Wish Tower - Catering Outlet	4,000	0	0	0
Bandstand Seating	0	15,000	0	0
ILTC - Air Conditioning	0	60,000	0	0
ILTC - Public Address System	0	20,000	0	0
ILTC - Electrical System	0	10,000	0	0
ILTC - Fire Alarm	0	10,000	0	0
ILTC - Replacement Seating	0	100,000	0	0
ILTC - Replacement Showers	0	25,000	0	0
Total - Tourism and Leisure Services	36,700	481,100	0	0

CAPITAL PROGRAMME

Corporate and Core Services	Total revised 2013/14	Total 2014/15	Total 2015/16	Total 2016/17
	£	£	£	£
<i>Scheme</i>				
CUSTOMER FIRST				
Contaminated Land	5,000	97,000	0	0
Coast Defences Beach Management Strategy	495,150	300,000	300,000	300,000
Cycling Strategy	0	40,600	0	0
Park and Ride	0	50,000	0	0
Princes Park (schemes to be decided)	0	183,000	0	0
Play Area Sovereign Harbour	0	27,000	0	0
Allotment Upgrade	14,100	0	0	0
Hampden Park Skate Park	0	150,000	0	0
Planning Software	7,950	0	0	0
Five Acre Field - Improvements	52,500	0	0	0
Upperton - Play Equipment	60,000	0	0	0
RoSPA Play Equipment	15,000	0	0	0
Churchdale Road Allotments	0	38,000	0	0
Play Equipment - Bodium Cres	80,000	0	0	0
Software - Grounds Maintenance	24,000	0	0	0
Sovereign Harbour - Legal Advice	0	20,000	0	0
Terminus Road Improvements	0	500,000	0	0
Christmas Light	0	25,000	0	0
CIL - Software	0	14,000	0	0
Five Acre Field - Railings	0	20,000	0	0
Beachy Head Visitor Centre WC	0	40,000	0	0
Sov Harbour Community Centre	0	0	1,600,000	0
Highfield Allotments	0	25,000	0	0
Hyde Gardens WC	0	40,000	0	0
Cross Levels Way BMX Track	0	0	46,000	0
	753,700	1,569,600	1,946,000	300,000
CORPORATE SERVICES				
Carbon Reduction Works	0	467,500	0	0
Agile phase 2	153,000	0	0	0
6 Saffrons Road Renovations	34,850	0	0	0
Town Hall Roof	356,450	0	0	0
Invest to Save	80,000	80,000	80,000	80,000
Redesign of CCC at 1 Grove Road	16,100	248,000	0	0
IT Replacement - Icon	9,200	0	0	0
Future Model Phase 1	358,600	0	0	0
Future Model Phase 2	1,000,000	1,000,000	990,000	0
Investment Capital	1,150,000	3,000,000	3,000,000	0
IT - Block Allocation	268,000	150,000	0	0
	3,426,200	4,945,500	4,070,000	80,000
Asset Management				
Devonshire Park Review	43,000	657,000	0	0
Congress Theatre redesign & restoration	15,000	835,000	0	0
Wish Tower Groundwork and site Preparation (from block allocation)	140,000	0	0	0
Wish Tower Catering Temporary Provision (Invest to Save)	160,000	0	0	0
Downland Water (Valve insertions)	25,000	0	0	0
Bandstand Restoration	245,000	0	0	0
8 Saffrons Rd - Boiler replacement	4,000	0	0	0
Town Hall Boilers	85,000	0	0	0
Asset Management - Block Allocation	0	492,300	581,000	500,000
	717,000	1,984,300	581,000	500,000
Total - Corporate and Core Services	4,896,900	8,499,400	6,597,000	880,000

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2013 TO 2017

	Total revised 2013/14	Total 2014/15	Total 2015/16	Total 2016/17
	£	£	£	£
Managed By Eastbourne Homes				
Decent Homes Works	567,900	0	0	0
Sheltered Remodelling	2,054,800	1,782,000	0	0
Major Works	3,699,600	3,183,000	3,766,000	3,703,000
Adaptations	0	412,000	412,000	412,000
Environmental Improvements	80,000	80,000	80,000	80,000
	6,402,300	5,457,000	4,258,000	4,195,000
Langney Villas	0	0	0	0
Ratton Road	0	0	0	0
Upper Avenue	0	0	0	0
LA New Build 2013-15	0	2,930,000	0	0
Supporting Housing & Economic Progress Initiative (SHEP)	1,170,000	1,109,000	0	0
46 Upperton Gardens	40,000	200,000	0	0
Homelessness Change Programme	200,000	75,000	0	0
Total HRA Capital Programme	7,812,300	9,771,000	4,258,000	4,195,000
Funded by:				
Borrowing	810,000	1,109,000	0	0
Government Grant	416,000	0	0	0
Capital Receipts inc. RTB	184,000	2,406,770	0	0
Major Repairs Reserve	5,934,200	3,633,320	4,106,970	4,195,000
S106 Contributions	0	798,230	0	0
Revenue contributions from HRA	468,100	393,280	0	0
Reserves	0	1,430,400	151,030	0
Total Financing	7,812,300	9,771,000	4,258,000	4,195,000

PROJECTED USE OF RESERVES

	2013/14 Budget £	2013/14 Revised Budget £	2014/15 Budget £
General Fund Reserve			
In hand at 1st April	(3,756,286)	(3,919,242)	(3,692,534)
Transfer from General Fund	(282,230)	(297,530)	NIL
Financing of Non Recurring Expenditure	591,100	519,850	471,150
Withdrawal/(Addition)	NIL	(16,492)	(524,600)
Allocated For Future Use	NIL	20,880	NIL
In hand at 31st March	(3,447,416)	(3,692,534)	(3,745,984)
Strategic Change Fund Balance			
In hand at 1st April	NIL	(309,139)	(699,881)
Withdrawal/(Addition)	(1,000,000)	(846,250)	NIL
Allocated For Future Use	NIL	455,508	NIL
In hand at 31st March	(1,000,000)	(699,881)	(699,881)
Capital Programme Reserve			
In hand at 1st April	(226,577)	(643,721)	(85,196)
Withdrawal/(Addition)	NIL	15,168	NIL
Allocated For Future Use	NIL	543,357	NIL
In hand at 31st March	(226,577)	(85,196)	(85,196)
Regeneration Reserve			
In hand at 1st April	(235,424)	(393,178)	(589,165)
Transfer from General Earmarked Reserves	NIL	NIL	NIL
Withdrawal/(Addition)	(431,814)	(339,344)	(500,000)
Allocated For Future Use	80,000	143,357	601,000
In hand at 31st March	(587,238)	(589,165)	(488,165)

Definitions of Budget Headings

Employees	Includes all employee related costs, both direct and indirect. Direct employee costs are Salaries, Employers National Insurance contributions, Employers pension contributions, agency staff and employee expenses. Indirect costs include relocation, interview, training, advertising and severance payments.
Premises	Includes costs directly related to the running of premises and covers repairs, maintenance, energy costs, rents, rates, water charges, fixtures, fittings, cleaning, grounds maintenance and premises insurance.
Transport	Includes all costs associated with the provision, hire or use of transport, including car allowances, travel expenses, transport insurance, hire and operating leases.
Supplies and Services	Includes all direct supplies and service expenses to the authority. It covers equipment, furniture, materials, catering, clothes, uniforms, printing, stationery and general office expenses, services communications, IT costs, subscriptions and grant payments.
Third Party Payments	A third party payment is a payment to an external provider in return for the provision of a service.
Transfer Payments	Includes the costs of payments to individuals for which no goods or services are received in return by the Council, for example, grants to the voluntary sector and Housing Benefit payments.
Government Grants	Specific and special grants from Government.
Other Grants and Contributions	Includes income received to finance a function/project which is undertaken with other bodies and contributions from other local authorities.
Customer and Client	Includes fees and charges for services, use of facilities, admissions and lettings.
External Recharges	Recharges made to outside bodies for expenditure incurred.
Internal Recharges	Recharges made to internal customers for services provided.
Support Services	These are charges for all support services. These costs are apportioned or allocated to the services they support and include the costs of finance, IT, human resources, office accommodation, legal services, internal audit, customer services, creditors, general income and insurances.
Capital Charges	This includes depreciation charges reflecting the decline in value (not cost) of assets as a result of their usage or ageing.

Definitions of Budget Headings

Reallocations Value of service costs recharged to internal users.

BUDGET REPORTS

1 Medium Term Financial Strategy - Sustainable Delivery Strategy	10/07/2013
2 Council Tax Base 2014/15	11/12/2013
3 Council Tax Budget 2014/15 Draft Budget Proposals	11/12/2013
4 General Fund and Capital Programme	05/02/2014
5 Housing Revenue Account, Rent Setting and Capital Programme	05/02/2014
6 Council Budget and Setting of Council Tax - Draft Version*	19/02/2014

*Please note - A full copy of this report will be available to view on the Council's website following the full Council meeting on 19/02/14.

BODY:	CABINET
DATE:	10th July 2013
SUBJECT:	Medium Term Financial Strategy 2013-2017
REPORT OF:	Chief Finance Officer
Ward(s):	All
Purpose:	To set out an overarching financial strategy to support the Council's strategic priorities and plans over a four year period.
Contact:	Alan Osborne, Chief Finance Officer, Tel 01323 415149 or internally on ext 5149
Recommendations:	Members are asked to: <ul style="list-style-type: none"> i) Approve the updated medium term financial strategy 2013-17 as summarised in Appendix 2. ii) Agree the balance of assumptions made in the strategy and request that the strategy be brought back to Cabinet if there are material changes to the balance of assumptions prior to the 2014/15 budget setting. iii) Request that the emerging budget proposals for 2014/15 be brought to Cabinet in December prior to detailed consultation. iv) Agree the principal risks of the strategy in Appendix1.

1. Executive Summary

The strategy:

- takes into account further reductions in Government support of 12%
- assumes no real terms increase in Council Tax
- assumes a flat council tax base over the cycle
- assumes growth in retained business rates of 1% per annum
- targets recurring savings rising to £2.1m over the next three years
- models further benefits realisation from the DRIVE programme of £1.2m per annum
- assumes savings in procurement rising to £0.3m per annum
- follows a priority based budget system to preserve front line services
- targets further efficiency savings to be realised of £0.6m per annum from services and/or new income streams

- allows for £0.6m of annual growth in the Capital Programme
- preserves reserves above the minimum levels
- continues to zero base reward grants, to allow investment as and when received
- provides resources to honour nationally agreed pay awards
- makes allowances for increases in National Insurance contributions and increased costs due to pension auto-enrolment
- allows funding for unavoidable growth in service costs of £200k per annum
- maintains a strategic change fund (c£1m) to support DRIVE and invest to save
- maintains an economic development Reserve (c£0.5m) to recycle new homes bonus allocations into the local economy
- maintains a repairs and maintenance reserve to support asset management (c£1m)
- keeps a revenue contingency to meet unforeseen expenditure/loss of income at around 2% of the net budget (£300k)

2. Introduction

The Medium Term Financial Strategy is a Rolling 4 year Strategy that takes into account:

- The external financial environment
- The overall financial demands of services
- The Council's existing and projected financial resources
- The Council's political priorities and stated aims
- The Council's DRIVE transformation programme
- The Council's sustainable service delivery strategy
- The Council's corporate plan
- The major service strategies and plans

- 2.1 The MTFS was last approved in July 2012 and set the challenge to the 2013/14 budget setting process as well as a updating the three year financial strategy.
- 2.2 In common with all the public sector the medium term outlook for the Council is extremely challenging and in order to protect and improve services an ambitious ongoing programme of savings is key to success. With more radical measures required, it is essential that the Council takes a longer term approach to savings as more radical savings initiatives will inevitably take longer to plan and deliver.
- 2.3 Over the life of the current parliament the Coalition Government has effectively reduced the general support to the Council by some 40% in cash terms which equates to 50% in real terms.
- 2.4 Whilst the previous Government's 4% annual efficiency target has not been replaced with a specific target, in order to protect front line services this Council put in place a priority based budget system that yielded a cumulative 25%

efficiencies in its first three years of the Comprehensive Spending review period (£3.7m) This was in excess of the reduction in grant for 2011/14 (£3m) thereby creating some headroom to reinvest in services as well as preserving the overall reserves position.

- 2.5 The Council's DRIVE programme provides the programme to deliver efficiencies that support the Council's Corporate Plan. The MTFS and Capital Strategy identify and direct resources at a strategic level, which are then compounded via the service and financial planning and budget setting process.
- 2.6 In setting the last four yearly budgets the Council has achieved its "Golden Rule" of meeting its ongoing budget requirement from ongoing resources in each year. Technically, the rule applies to the cycle of an MTFS, and it is reasonable to use reserves to smooth out the budget as savings accrue over the cycle. By not using reserves in this manner it has meant that reserves over the minimum level are available for one off investments in services decided via the service and financial planning process.
- 2.7 The Council, as a registered social landlord is obliged to run a Housing Revenue Account (HRA) that is statutorily ring-fenced from its general fund. A 30 year revolving business plan has been adopted for the HRA and only the statutory interaction between the HRA and the general fund is acknowledged in the MTFS.

3. Sustainable finance

- 3.1 The basic legal definition of a balanced budget is that planned expenditure can be met from income and reserves.
- 3.2 Whilst that definition is the legal minimum, it does not provide for sustainability if reserves are used in the long term to resource any differences between ongoing expenditure commitments and ongoing incoming resources.
- 3.3 Therefore it is proposed that over the cycle of this MTFS ongoing expenditure must be financed from ongoing resources with only non recurring investments being met from any surplus reserves.
- 3.4 As with all Councils the effect of inflation is felt on gross expenditure, whilst any increase in council tax or grant is based on a net position. This "gearing effect" means that there is a natural gap of c£400k per annum that needs to be met from efficiencies (approx 3% of net spend) if services are to be protected. This is on top of the austerity programme reductions outlined in 1.3.
- 3.5 Given the current reduction in grant and the inability to raise council tax in real terms, the Council has to look to longer term measures to maintain sustainable finances. These include measures under the Sustainable Service Delivery Strategy (SSDS) and the growth of income streams.

4. The National Financial Picture

- 4.1 The coalition Government has set out a plan to significantly reduce the nation's structural budget deficit by the end of the parliament and beyond.
- 4.2 This involves various measures that will reduce the amount of resources to local government including:
- A 40% reduction in central government support 2011-2016
 - Combining various grants in a "single pot"
 - A 10% cut in funding for the local council tax support scheme which replaced housing benefit subsidy in 2013/14.

The Government is currently carrying out its next CSR that will come into force in 2015.

- 4.3 The current extended period of low interest rates reduces the income to the council as it generates investment income due to positive cash flow and reserve balances. Therefore the Council has adopted a stabilisation measure that takes interest received on balances, interest paid on debt, capital repayment of debt and revenue contributions to the capital programme as a single capital financing budget.
- 4.4 The Government continues to target an inflationary rate of 2% using its preferred method of Consumer Price Index (CPI) although the rate is currently 2.4% and has averaged over 3% in the last three years.
- 4.5 The actual effect of the national deficit reduction programme to this Council has been the amount made available via the Revenue Support Grant (RSG). The Council received £8.9m in RSG in 2010/11. This support has already eroded by a third and will further erode to represent a real terms reduction of around half by the end of this strategy.
- 4.6 Against this backdrop service demands on Councils are ever increasing with demographic and downturn causal effects.
- 4.7 In his 2013 budget statement, the chancellor suggested that a cap on public sector pay rises would be 1% for at least two years.
- 4.8 The Government has already reduced the benefits paid to members of the local government pension scheme, by pegging future increases to the CPI instead of RPI. This has had the effect of increasing the overall funding of pensions schemes and therefore reduces the demand for future increases in employer contributions. Further changes are outlined in the current Pensions Bill which are likely to at least mitigate future funding pressures. The strategy assumes no increase in employer's contributions after the next triennial valuation is announced later in 2013. The Council will however have to find additional resources to fund "auto enrolment" due to start in November 2013.

5. The strategy commentary and main assumptions

5.1 Issues arising from previous years

The Foundation of any sound financial plan is a predictable budget to outturn position. The 2010/13 outturns, whilst containing normal variances in year, resulted in a positive overall variance due mainly to increased performance in housing benefit overpayment recovery. Some underlying issues in the discretionary areas have been recognised in setting the 2013/14 budget.

5.2 Inflation on goods and services

The Government has a long term commitment to retain an inflation rate of 2% per annum (CPI) although the rate is currently 2.4%. The strategy assumes 2% inflation from 2014/15.

The Council, in common with most, does not add inflation each year to all its supplies and services budgets as this would add some £400,000 per annum.

Instead, it assumes a level of continuous improvement in procurement allowing for only contract inflation that cannot be negotiated downwards to be applied at a cost of some £250,000 per annum (CPI). An allowance of £50,000 per annum for other unavoidable inflation (such as energy and business rate increases) is contained in the strategy.

5.3 Pay inflation

One of the major costs in a District Council is the cost of its employees. This accounts for some £12m for this Council.

The current economic climate has some relief in this respect to the Council.

The strategy assumes the following increases based on the Government announcements and inflation targets:

Year	Pay inflation
2013/14*	1%
2014/15	1%
2015/16	2%
2015/16	2%

* The 2013/14 situation is not currently resolved although there is an extant 1% offer from the employers.

5.4 Pension costs

The increase in the Council's increase to employer contributions to the East

Sussex Pension scheme is currently capped at 1% over 3 years (0.33% per annum increase) This expires in March 2014.

The next triennial revaluation of the fund is currently taking place which will set rates effective from 2014/15. With the recent change from RPI to CPI as the annual index, and the potential changes arising from the Pensions Bill including a career average instead of final salary scheme, the strategy assumes no increase in employer contributions after the current revaluation.

The Council currently recoups its past service deficit a % of pay, however the fund actuary may require councils to amortise this deficit on a cash basis due to the risk of falling payroll numbers.

If a choice exists from 2014/15, then the decision as to whether to switch payment methods will be included in the budget setting process. In theory there is no material difference in the overall cost.

5.5 Fees and charges

The Council currently receives income from fees and charges for its services of around £13m.

The Council has been reducing its exposure to income targets in areas affected by the economic downturn in successive budgets. In setting the 2013/14 budget a targeted increase of £300,000 was built into the budget. This was offset partially by reducing some unachievable income targets via the service and financial planning process.

It is assumed that for the year 2014/15 an overall gain of £200,000 (1.5%) per annum will be realised in fees and charges (mainly inflation) but and this will increase in subsequent years (to 2%) as the economy recovers.

Individual service and financial plans will still strive to achieve some real terms increases where it is felt appropriate and achievable.

5.6 Interest Rates

The current bank "base rate" is 0.5% and has been since March 2009.

There are differing forecasts in the future profile of interest rates which are largely dependent on a recovery and inflationary pressures in the economy. Most analysts now predict that there will be a very slow recovery and rates will only increase modestly in the period 2013/16.

The Council's treasury management advisor (Sector Ltd) is forecasting a small increase in the rate to 0.75% in 2014/15 rising to 1.75% by the end of 2015/16.

The strategy assumes no increase in overall yield from interest rate rises over

the life of the MTFS. Any increases that do occur will have a short term effect of increasing the amount of resources available to the Council (around £100k per percentage point) however the strategy will recycle these into capital financing as longer term interest rates used for borrowing purposes will increase too.

5.7 Council Tax

In closing the 2012/13 accounts, The Council has a declared a collection fund surplus of £24,000.

It is inevitable that surpluses and deficits will arise due to the fact that the tax base has to be estimated 3 months before the start of the year and the actual position is subject to collection fund performance as well as changes in the tax base in year.

The Council has taken advantage of the Government's tax freeze grant for the last three years. The grant for 2013/14 (£80,000) is not paid in future years despite the permanent loss of the revenue that would accrue from a rise.

The strategy assumes rises of 2% (based on CPI target) from 2014/15 i.e. no real terms increase in council tax across the life of the MTFS.

The strategy also assumes no increase in the overall council tax base, although some housing development is still in the pipeline. The Base will be reassessed annually.

5.8 Government Grants/Retained Business Rates

The Council currently receives £3.4m of revenue support grant.

In addition the Council now retains a proportion of business rates (£3.6m) collected based on 40% of the real increase in those collected using a base year of 2011/12. Increases in the retention from business rates are designed to promote local growth. The strategy assumes that business rate retention will rise by 1% per annum based on rate increases, although initiatives such as the Town Centre and Sovereign Harbour developments should contribute a further retention in future years.

In respect of reward grants the strategy continues to zero base these on the basis that if grants are received then spending plans can be brought forward to match the grants. The economic regeneration reserve was created in 2011/12 in order to facilitate this.

The new Homes Bonus is a reward grant that currently gives c£1800 for each new property brought into use/constructed and is paid for six years. The council's policy is to treat this grant as "one off" and use it for economic regeneration initiatives. In 2013/14 there is a small element (£130k) of the grant (£550k) that is used to support the budget, however the MTFS assumes

that this will be eliminated by 2014/15.

The third type of grant is specific grants for the purposes of running individual services e.g. housing benefit administration and NNDR collection grants. The service and financial planning process deals with fluctuations in such grants with a view to matching the cost of the service against the grant received.

5.9 Revenue headroom for new or enhanced services

The Cabinet has indicated that it would like to continue the migration of resources from non priority areas to priority areas over the life of the MTFS.

Clearly any headroom can only be achieved if savings achieved are greater than the reduction in resource due to funding changes and the effect of inflation.

The strategy assumes that an average minimum of £700k per annum of savings is required to make good the loss of grant and the effects of inflation as well as provide £200k per annum for growth.

The service and financial planning process and the detailed budget proposals will identify whether headroom can be created by making savings in excess of the minimum need and other agreed growth.

One of the Council's main priorities is to increase the amount of available capital for development. The strategy provides for reinvestment of savings to the tune of £630k in capital financing. This would support over £10m of future capital spending at current long term interest rates.

5.10 Savings

Taking all known factors and assumptions as outlined above the Council needs make a minimum level of new savings of £700k per annum over the life of the MTFS.

The Council has set out a number of corporate initiatives in order to help facilitate savings under the auspices of DRIVE.

The principal programmes are now under the Sustainable Service Delivery Strategy (SSDS)

Whilst these programmes have stretch targets that have been agreed as part of each individual programme, this strategy assumes the following bankable savings accruing as set out below. This does not alter the targets set for each programme, but merely reflects what can reasonably be counted at this stage. Service and financial planning will provide more certainty as each year approaches.

Programme	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
SSDS	250	300	600	300
Service Based	170	200	200	200
Procurement	1100	100	100	100
Total	1520	600	900	600

This represents an average of £0.7m of new recurring savings each year.

5.11 The Housing Revenue Account (HRA)

The HRA is ring fenced from the General Fund although should it fall into deficit then it would have to be subsidised by the general fund.

Transactions between the HRA and the general fund comprise three main elements:

- Interest on the HRA balances paid to the HRA
- Debt charges paid by the HRA to the General Fund
- Recharges from the General Fund to the HRA for support services

For the purposes of this strategy it is assumed that there is no change to the existing overall level of transactions between the accounts.

From 2012/13 the HRA became more like the general fund in that it needs to assess the cost of its capital programme against the resources available in the HRA, now that the subsidy system has been disbanded. Responsibility for setting rent levels is now localised however controls over rent levels and borrowing limits remain.

A 30 year business plan was adopted by the Council February 2012, and the HRA now needs to be subject to an annual service and financial planning process in the same way as the general fund, this has begun and will feature in the 2013/14 budget setting process.

6. Reserves

6.1 The Council has the following main fund/reserves:

Revenue

- General fund reserve – As a contingency and support the corporate plan
- Strategic change fund – to support the DRIVE programme
- Repairs and maintenance fund – to support the asset management plan
- Economic regeneration fund – to support the local economy

Capital

- Usable Capital Receipts – earmarked for future capital schemes

In addition the Council holds funds on behalf of others e.g. section 106 contributions.

- 6.2 The 2012/13 accounts show the balance available to the general fund to be £4.1m. This is the assumed starting point for the MTFS. There is a planned draw on reserves to meet non recurring expenditure in 2013/14 of up to £393,000. In subsequent years this is expected to average around £200k per annum during the MTFS.
- 6.3 The previous MTFS recommended a minimum general fund reserve of at least £2m. The budget paper in February itemised the risks and as they have not changed significantly in the interim, it is assumed that the minimum level of reserves is fixed at £2m for the MTFS, although this will require review during the budget setting process for 2014/15, once the localised council tax support scheme is introduced as this is likely to increase financial risk at least in the short term.
- 6.4 The strategic change fund was established in 2009 in order to help facilitate the release of ongoing savings. This reserve is a key enabler for change and it will need replenishing in time. The reserve currently has a balance of £1m.
- 6.5 The repairs and maintenance fund had a balance of £0.6m at 31.3.13 has been used to support the asset management plan, high priority and corporate asset non capital items are financed from this fund where they cannot be met from the service budgets. Contributions are made each year from revenue.
- 6.6 The system of carry forwards finished in 2010, with the exception of partnership and third party funds. The Council now follows a policy of pooling all general reserves which better facilitates corporate planning. It is not intended to reintroduce carry forward of unspent budgets.
- 6.7 The Council has had a conscious policy of keeping reserve levels above minimum levels in reaction to the recession and the continued squeeze on public sector spending. The MTFS summary (appendix) shows that the general reserve will be reduced over the life of the MTFS to an estimated £3.2m
- 6.8 In 2011, the Council set aside £500,000 from general reserves in the economic regeneration reserve to pump prime initiatives aimed at promoting the local economy and creating new income streams for the Council to help offset the reductions in Government funding. This fund has already started to make a difference and the current policy is to use any unbudgeted new homes bonus to top it up over time.

7. The impact of the capital programme

- 7.1 The Capital Programme has an effect on the Councils revenue finances as any investments that cannot be met from grants, contributions, capital receipts or straight revenue funding need to be met from borrowing. This has to be repaid with interest from revenue over time.
- 7.2 The Council has recently repaid some £30m of borrowing in the Housing Revenue Account as it entered the "self financing" regime in 2012/13.
- 7.3 The General Fund policy is to use borrowing only on a business case basis (e.g. Solarbourne). Such borrowing is fully financed by way of interest charges and the Minimum Revenue Provision (MRP) which is the capital repayment. As new schemes that require borrowing are approved, the Council has to make provision for repayment via the capital financing budget. The capital repayment element of any borrowing is only required once the scheme is finished.
- 7.4 It is up to Councils to set their own MRP and balances of Capital Receipts and Contributions can be offset to reduce this liability in the short term, although this only provides for short term relief against the cost of capital. The current policy of the Council is to pay 4% MRP on historic debt and MRP based on the useful life of assets created since 2011, however the Council's Treasury Management Strategy does allow some flexibility to adjust this in future if necessary.
- 7.5 Capital investment can be used as "invest to save" therefore borrowing is an important tool in the overall financial strategy where savings exceed the cost of capital.

8 Consultation

- 8.2 It is a requirement to consult with the business and voluntary sectors over the detailed budget proposals that will emerge from this strategy in the autumn.
- 8.3 The Joint Staff Committee is briefed regularly as the process emerges.
- 8.4 Staff are consulted via the Managers Forum and "Drop in Sessions" held periodically.

9. Conclusions

- 9.1 In order to maintain sustainable finances the Council will need to make new efficiency savings or income streams to the order of £0.7m per annum.
- 9.2 Due to the scale of the challenge the programme of change will require more radical measures for savings that often have a lead in period of 1 to 2 years, therefore the SSDS programme is a key enabler to meeting this challenge.

9.3 The MTFS both collects the financial effects of demand and supply changes and informs the corporate change agenda.

Alan Osborne
Chief Finance Officer

Background Papers:

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

Cabinet Reports: – Finance Matters (Standing Item)

- *Budget and Council Tax Setting February 2013.*
- *MTFS – July 2012.*
- *Statement of Accounts – July 2013.*

Audit Committee- Final Accounts- June 2012.

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

Risk / Effect	Contained in Strategy and budget setting	Other Mitigation
Income Reductions due to demand changes	<ul style="list-style-type: none"> • Statutory recession hit income budgets adjusted each year as part of service and financial planning • No real growth assumed in overall income targets in 2013/17 • The economic regeneration fund set aside to aid regeneration and contribute new sources of income • Interest receivable budget set at current low interest rate • Unachievable income budgets reviewed during service and financial planning • Programme savings targets being set higher than the assumed delivery in the MTFS • Reserves above the minimum 	<ul style="list-style-type: none"> • Service and financial plans to test possible income generation activities and price sensitivity • New sources of income explored in service plans. • Planning at 2 levels in service and financial planning process to challenge assumptions • Review of governance of discretionary services underway
Government Support Being Reduced even further than forecast	<ul style="list-style-type: none"> • Assumption follows the Governments announcements to date • Prudent estimates of future income flows • Zero basing of reward grants • Reserves above minimum level 	<ul style="list-style-type: none"> • Possibility of service alterations to a modified level • Change assumptions during budget setting • Update MTFS early in the event of material change • Priority based budget system has flexibility to adapt

Benefits Performance reducing due to scale of changes	<ul style="list-style-type: none"> • No surplus built into base budget • Resources allocated in 2013/14 budget 	<ul style="list-style-type: none"> • Service review of delivery arrangements • Mobilise resources from other areas if performance hit by staffing shortages • Relieve service with further one off resources to avoid performance drop
Savings not being delivered	<ul style="list-style-type: none"> • Matching growth choice with performance of savings delivery • Strategic Change Fund to support invest to save • Capital Invest to save available case by case • Reserves well above minimum level can be used to smooth out fluctuations • Level of Revenue contribution to capital can be varied in the short term 	<ul style="list-style-type: none"> • Use compensating savings in short term • Reduce discretionary spend in year • Review minimum revenue provision to slow down capital repayment

Summary of MTFS 2013-2017

General Fund

	2013/14	2014/15	2015/16	2016/17
Total Budget b/f	16,334	15,658	15,634	15,432
Less non recurring items	(628)			
Adjusted Base Budget	15,706	15,658	15,634	15,432
Pay and Price Inflation				
Pay Award and Increments	105	120	240	240
Pensions (auto enrolment)	30	50	0	0
Inflation on Contracts	235	250	250	250
Other inflation	0	50	50	50
Service Growth	1,104	200	200	200
Capital Financing	302	100	200	330
Increases in Income	(300)	(200)	(250)	(250)
Total Budget Demand	17,182	16,228	16,324	16,252
RSG/Retained Business Rates				
RSG 2012/13 = (7,012)	(3,401)	(3,288)	(3,000)	(3,000)
Retained Business Rates	(3,503)	(3,573)	(3,645)	(3,717)
Council Tax local scheme grant	(1,212)	(1,212)	(1,212)	(1,212)
Council Tax Grant	(83)	0	0	0
New Homes Bonus (in base)	(134)	(134)	0	0
Total External Funding	(8,333)	(8,207)	(7,857)	(7,929)
Council Tax				
Relevant Amount	33,310	33,310	33,310	33,310
Collection Rate	0.975	0.975	0.975	0.975
Tax Base	32,477	32,477	32,477	32,477
Band D Charge	224	229	233	238
% Increase in Council Tax	0%	2%	2%	2%
Collection Fund Surplus	(22)	0	0	0
Total Council Tax	(7,303)	(7,427)	(7,575)	(7,727)
Total Sources of Base Funding	(15,658)	(15,634)	(15,432)	(15,656)
Gap in Funding	1,524	594	892	596
Efficiency Savings General	(169)	(200)	(200)	(200)
SSDS	(250)	(300)	(600)	(300)
Procurement Savings	(1,105)	(100)	(100)	(100)
Residual Gap / (Surplus)	(0)	(6)	(8)	(4)
General Reserves B/F	(4,400)	(4,007)	(3,813)	(3,621)
Non recurring growth	393	200	200	200
Use of General Reserves	(0)	(6)	(8)	(4)
Reserves C/F	(4,007)	(3,813)	(3,621)	(3,425)

Body: Cabinet

Date: 11th December 2013

Subject: Council Tax Base and Business Rate Income 2014/15

Report of: Chief Finance Officer

Ward(s) All

Purpose To approve the Council Tax Base and net yield from Business Rate Income for 2014/15 in accordance with the Local Government Finance Act 1992, as amended.

Decision Type: Key Decision

Recommendations: Members are asked to

- i) Agree the provisional Council Tax Base of **32,126.5** for 2014/15.
- ii) Agree the provisional Retained Business Rates Income of £35.225m for 2014/15
- iii) Agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine the final amounts for the Council Tax Base and Retained Business Rates income for 2014/15.

Contact: Pauline Adams, Financial Services Manager
Tel 01323 415979 or internally on ext 5979

1.0 Introduction

- 1.1 The Council is required to set its Council Tax Base and the expected Business Rate Income for the forthcoming year. These calculations are used as the basis for the amount of income the Council will precept from the Collection Fund.
- 1.2 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 prescribe that the billing authority (this council) must supply the precepting authorities (the County, Police and Fire authorities) with the calculation of the Council Tax Base. This information must be supplied between 1 December and 31 January in the financial year 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 proceeding the financial year for which the calculation is being made.

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

2.0 Council Tax Base

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

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

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

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

3.0 Relevant Amount

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

3.2 The results for each Band when totalled up are converted to form the appropriate number of Band D equivalent dwellings. This is the Relevant Amount. For 2014/15 this totals 32,950.3.

3.3 The Relevant Amount has decreased by 359 (1.1%) Band D equivalent dwellings from 2013/14. This reflects the higher take up of the Council Tax reduction scheme than the 2013/14 original model predicted pending the introduction of the scheme from 1 April 2013. This has been offset by a reduction in the number of Single Person Discounts awarded. The effect of these changes has resulted in the reduction to the total number of chargeable dwellings by 382.

4.0 Collection Rate

4.1 The Collection Rate is the Council's estimate of the proportion of the overall Council Tax collectable for 2014/2015 that will ultimately be collected. This is expressed as a percentage.

4.2 The key elements in making this calculation are losses on collection, appeals

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

4.3 Given the current level of Council Tax collection and the forecast of a small deficit balance on the collection fund it is prudent to retain the current collection rate of 97.5%.

5.0 Council Tax Base

5.1 Taking the Relevant Amount of 32,950.3 and applying the Collection Rate of 97.50% produces a Council Tax Base for 2014/15 of **32,126.5**.

5.2 The Council Tax Base has decreased by 1.1% compared with 2013/14. This is equivalent to a reduction of 350 Band D dwellings. The detail number of properties is shown at Appendix 1.

5.3 The Council's Medium Term Financial Plan is updated annually to take account of movements in the Council Tax Base. The assumed tax base for the current MTFS was 32,600.

6.0 BUSINESS RATE INCOME

6.1 The Local Government Finance Act 2012 introduced a new system for the local retention of business rates. This means that the council is required to formally approve the expected business rate income for the forthcoming year. The estimate for the 2014/15 financial year must be approved by 31 January 2014.

6.2 The Business Rate income is all collated on the NNDR1 form which will show the net rate income yield for the forthcoming year and the central and local shares of the business rates. The actual NNDR1 form for 2014/15 has not yet been received but the provisional figures based on the 2013/14 form plus known changes has been calculated as follows:

Retained Business Rate	2014/15 Estimate £'000
Gross Rates Yield	39,443
Less Mandatory Reliefs	(3,184)
Less Discretionary Reliefs	(100)
GROSS RATE YIELD AFTER RELIEFS	36,159
Less Allowance for cost of Collection	(128)
Adjustments for Changes in RV due to growth or reduction in property numbers.	(71)
Less Estimated Losses on Collection	(300)
Less Allowance for Appeals	(440)
Transitional Relief (funded centrally)	5
NET BUSINESS RATE YIELD	35,225

The adjustment for the changes in RV is mainly due to the properties that are to be demolished as part of the Town Centre redevelopment. For estimating purposes it has been assumed that this will happen in the final quarter of 2014/15. The 2015/16 calculation will reflect the full year effect of this reduction, however once the redevelopment work has been completed there will be a corresponding growth in the business rate yield.

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

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

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

7.0 Retained Business Rates income in the General Fund

7.1 As some local authorities collect more business rates than they currently receive in formula grant (which is based on relative need and resources), whilst others are lower, the government will rebalance to ensure that no local authority is worse off as a result of its business rates at the outset of the scheme through a system of tariffs and top ups. To calculate these tariffs and top ups a business rate baseline funding level has been set by government based on the 2012/13 formula grant funding levels. An authority will pay a tariff if their business rate baseline is more than their baseline funding level and receive a top up if their business rate baseline is less than their baseline funding level. Tariff and top ups will be self funding and fixed in real terms (i.e. only up rated by RPI) in future years, ensuring that changes in retained income are driven by business rate growth.

This authority has a business rate baseline higher than its baseline funding level and thus is due to make a tariff payment.

7.2 The intention of the Rates Retention scheme is to give an incentive to local authorities to grow their business rate base, and the scheme has been devised to allow local authorities to benefit from this growth. However due to the gearing effect, i.e. the differences in the relationship between an individual's authority's business rates base and its baseline funding level, some authorities with existing large tax bases in relation to their funding levels will experience increases in their income that is out of proportion to the growth in their business rate base. To moderate this gearing effect a system of levies and safety nets has been introduced.

The levy rate will allow authorities to retain their growth in an equivalent proportion to its baseline revenue. This translates into a real benefit and after the payment of the central share and the levy at least 20p in each extra pound will be retained locally.

Conversely a safety net will apply to any authority experiencing a decrease

in their business rates revenue. This safety net guarantees authorities 92.5% of their original baseline funding. For the purpose of the safety net the baseline funding level will be increased by RPI each year.

- 7.3 The final amount of retained business rates to be credited to the general fund is calculated as follows:

2014/15 Estimate	£'000
EBC Share of Business Rate Yield	14,094
Minus Tariff	(9,664)
Minus Levy	(612)
Minus Estimated Deficit on Collection Fund as at 31.3.14	(283)
Local Retained Business Rate Income 2014/15	3,535
2013/14 Amount	3,503

8.0 Setting the Business Rate Income

- 8.1 The figures required to set the business rate income are not yet available as the final NNDR1 form and guidance notes have not yet been received from DCLG. Cabinet is therefore asked that delegated authority be given to the Chief Financial Officer, in consultation with the Portfolio Holder for Finance, to determine the final estimated net yield from Business Rate Income for 2014/15.
- 8.2 The revenue implication of the new Business Rates retention scheme has been modelled into the financial plan and will be fully reflected in the budget setting process.

9.0 Collection Fund Performance

- 9.1 As at 31 March 2013 the Collection fund showed a surplus of £169,272. £158,910 is being distributed across all preceptors during 2013/14, leaving a balance of £10,362 to be distributed in 2014/15.
- 9.2 The Council has to estimate the overall surplus/deficit at 31 March 2014 and inform the precepting authorities in January 2014 of this estimate in order that the amount is included in the 2014/15 precept figures.
- 9.3 Current monitoring figures indicate a deficit by 31 March 2014 of £40,000 for Council Tax, this will be revised in January and the results reported to members as part of the budget report to the February Cabinet. Any surplus or deficit is allocated to preceptors in 2014/15 in proportion to the 2013/14 Band D Council Tax.
- 9.4 For the first time this year a calculation on the business rate income element of the Collection Fund has to be prepared in January. Current indications show a deficit balance of £708,000 due to the number of successful appeals having been settled in the year and the lower than anticipated growth in

rateable values. The calculation will be revised for January and the results reported to members as part of the budget report to the February Cabinet. Any surplus or deficit is allocated in 2014/15 in accordance with the proportions given at 6.3 above.

10.0 Consultation

10.1 Not Applicable

11.0 Implications

11.1 The Council Tax Base will be used to calculate the level of Council Tax requirement that will be recommended to the Council on 19 February 2014.

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

11.3 Once the Council Tax Base and the estimated balance on the Council Tax element of the Collection Fund has been determined, East Sussex County Council, Sussex Police and Crime Commissioner and East Sussex Fire Authority will be notified.

11.4 Once the NNDR1 2014/15 has been completed and the estimated balance on the Business Rate element of the Collection Fund has been determined, this will be submitted to Central Government and both East Sussex County Council and East Sussex Fire Authority will be notified.

12.0 Summary

12.1 The provisional Council Tax Base for 2014/15 has been calculated in accordance with relevant legislation. Summary calculations are set out within the attached appendix.

12.2 The figures required to set the business rate income are not yet available as the final NNDR1 form and guidance notes have not yet been received from DCLG. Provisional figures indicated business rates income for the General Fund of £3,535,000.

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

**Alan Osborne,
Chief Finance Officer**

Background Papers:

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

- The Local Government Finance Act 1992
- The Local Authorities (Calculation of Council Tax Base) Regulations 1992
- The Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 2003
- Non-Domestic Rating (Rates Retention) Regulations 2013

Tax Base Comparison between years		
	2013/14	2014/15
NUMBER OF DWELLINGS		
Valuation List as at November	46,629	47,150
Less discounts equated to property numbers	-4,859	-4,966
Total equivalent property numbers	41,770	42,184
Estimated changes in year	86	-19
Less Local Council Tax Reduction Scheme	-6,813	-7,504
Total Number of Properties	35,043	34,661
% decrease		-1.09%
TAXBASE CALCUATION		
Relevant Amount (Band D Equilavant)	33,309.3	32,950.3
Collection Rate	97.50%	97.50%
Council Tax Base	32,476.6	32,126.5
% decrease		-1.08%

BODY: CABINET

DATE: 11th December 2013

SUBJECT: Draft Budget Proposals 2014/15

REPORT OF: Chief Finance Officer

Ward(s): All

Purpose: To summarise the main elements of the emerging 2014/15 revenue budget and capital programme that have arisen from the corporate and service financial planning process to date.

Contact: Alan Osborne, Chief Finance Officer,
Tel 01323 415149 or internally on ext 5149

Recommendations: Members are asked to:

- i) Agree the draft budget proposals for consultation.
- ii) Agree the approach to dealing with changes in the expected resources available for the 2014/15 budget as detailed in 5.3 including the closing of a currently forecast gap of £104,000 between the recurring resources and recurring proposed budget.
- iii) Agree that as details of the Government's proposed tax freeze grant for 2014/15 are not yet available, the maximum potential council tax rise will be less than 2%.
- iv) Agree the main risks to the draft budget in 5.4

1.0 Introduction

- 1.1 Each year the Council consults with a range of stakeholders on its detailed draft budget proposals for the following financial year. This follows consultation on the corporate plan and Medium Term Financial Strategy, which is carried out over the summer and autumn. The results of the corporate plan consultation are reported elsewhere on this agenda.
- 1.2 The Cabinet will consider initial responses to the consultations at this meeting and finally on 5 February 2014 in order to recommend a final budget and additions to the existing capital programme for 2014/15 to the Council on 19th February 2014.
- 1.3 The process of service and financial planning is an integral part of the corporate planning cycle that looks over a medium term horizon. The corporate change programmes under DRIVE pick up the challenge of the MTFS.
- 1.4 The medium term financial strategy agreed in July 2013 modelled the overall

reduction in Government support by 40% in cash terms over the whole CSR period (2013/17) which equates to around 50% in real terms at past and projected levels of inflation.

- 1.5 At the time of writing this report the Chancellors autumn statement and the results of the Comprehensive Spending Review CSR 2013 are not known. However in June 2013, the Chancellor made announcements that indicated further reductions in Government support of between 10 and 20 percent (on top of the 28.4% covering the period 2011-2014)
- 1.6 In addition to changes in the amount of funding for local government, there were two significant changes that came into force in 2013/14 that give a greater volatility to local government finance over the medium term. These changes were the retention of a proportion business rates and the localisation of council tax support. The Council tax and Non Domestic rate tax bases are the subject of another report on this agenda.
- 1.7 As well as setting savings targets at a level that is in excess of current announcements, the MTFS includes the policy of not applying all of the New Homes Bonus (NHB) which is currently yielding over £540,000 and set to rise to c£800,000 to the budget over the next three years. This gives added protection against further funding reductions as well as the opportunity to invest the NHB in interventions designed to promote economic growth.

2.0 Integrated corporate planning process

- 2.1 In July 2013, the Council adopted its latest MTFS that set the platform for the service and financial planning process during the summer and autumn. The strategy set out a further 3 year rolling programme with savings targets of £2.1m recurring by 2015/16 (in addition to the £3.5m achieved in setting the 2011-2014 budgets)
- 2.2 The overarching DRIVE programme forms the basis of Councils efficiency agenda and the sustainable service delivery strategy (SSDS) is a major component of the programme, which will deliver savings over the life of the MTFS. The Council's move towards the "future operating model" is set to contribute a further £1.2m of savings over the next three years to the general fund. Together with savings from procurement and shared services this provides the main emphasis of the current corporate efficiency programme.
- 2.3 The Service and financial planning process is now a rolling three year period to reflect the MTFS and as well as providing £600,000 per annum of additional capital resource the savings programme is well developed to meet the overall target of £2.1m over the current cycle.
- 2.4 Consultation on these plans began at the same time which included Scrutiny, unions and staff as well as partner organisations and the public. A separate report is included on the agenda with an update.

- 2.5 Once the budget proposals have been adopted in February, the service plans will be updated and resource allocations reviewed in the light of any changes required by corporate plan priorities or the budget.
- 2.6 The Service plans will then be used to set service performance measures and individual staff performance and development plans.
- 2.7 Formal integrated quarterly performance monitoring against the budget and key performance indicators informs the Council and its stakeholders of progress against the plans.

3.0 Background to the Budget Proposals

- 3.1 The MTFS set out the principles for the budget of the following three years and models the financial impact of the strategy.
- 3.2 The main backdrop to the MTFS is the requirement to set a balanced budget and dealing with the effects on the Councils finances of the current economic downturn.
- 3.3 The current strategy set out a rolling three year plan to:
- Deal with the anticipated reduction in the Government support of around 50% from the 2010/11 level.
 - Integrate fully the service and financial planning process with the main change programmes under DRIVE
 - Work with clearly defined medium term efficiency targets to the corporate transformation programmes and allow services to put forward savings proposals in addition.
 - Deal with the continued economic downturn and unavoidable growth in service demands
 - Maintain front line services to the public
 - Make further recurring savings of £2.1m per annum by 2016/17
 - Maintain at least a minimum level of reserves of £2m
 - Use surplus reserves in the medium term for:
 - Invest to save projects
 - Smooth the requirement for savings over the cycle of the MTFS
 - Invest in one off service developments in line with the corporate plan
 - Benchmark fees & charges against the service standard
 - Reinvest in value adding priority services when headroom is created
 - Set council tax rises at or below the level of inflation
 - Maintain a Strategic Change Fund to finance the DRIVE programme in order to increase efficiency
 - Maintain an Economic Regeneration Reserve to finance external interventions that promote economic activity
 - Finance capital expenditure from identified resources
 - Use borrowing only on a business case basis
 - Continue the process of priority based budgeting to target investment and differential levels of savings targets at services according to priority
 - Zero base volatile grant budgets

- Look for new income streams to supplement diminishing resources

3.4 Whilst at the time of writing the final settlement in respect of revenue support grant (RSG) and retained business rates for 2014/15 as well as numerous other grant announcements have not yet been made, the following are assumed in the draft budget.

Year	2013/14	2014/15
	£m actual	£m
RSG	(3.4)	(3.3)
Retained business rates	(3.5)	(3.5)
Council Tax freeze grant	(0.1)	(0.1)
New Homes Bonus	(0.5)	(0.6)
Council Tax Benefit grant	(1.2)	(1.2)
Council Tax	(7.3)	(7.2)

4 The Emerging Budget Proposals 2014/15

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

4.2 In response the challenge set out in the MTFs, the service and financial planning process has identified proposed savings of £0.846m (5% of net spend) shown in **(appendix 1)**

These are categorised as:

	<u>£m</u>
Efficiency savings	(0.607)
Increases in income	(0.209)
Other changes	<u>(0.030)</u>
Total	<u>(0.846)</u>

4.3 A total of £0.851m of service growth is proposed categorised as follows **(appendix 2):**

	<u>£m</u>
Corporate inflation	0.430
Reduced income targets	0.059
Other Growth	<u>0.362</u>
Total	<u>0.851</u>

4.4 The draft budget assumes no rise in Council Tax for 2014/15 as the Council is may take advantage a special grant available for Councils not increasing council tax (assumed to be 1% or £70,000). However the scheme for 2014/15 has not yet been set out. The MTFs allowed for a tax rise at the target rate of inflation (2%) There therefore remains a choice depending on

the announcement of the tax freeze scheme. A referendum might apply if any proposed tax rise were 2% or greater.

4.5 The proposal also includes £447,000 of non-recurring service investment to be financed directly from reserves (**Appendix 2**).

4.6 The Council has been successful in attracting over £2.6m of additional grant for the retention of weekly waste collection and enhanced recycling (for five years) payable over three years. The final instalment of £1.3m will be paid in 2014/15. It is intended that contributions to reserves of this amount will be made in order to replenish the strategic change fund and general reserves.

5.0 Summary of Revenue Proposals

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

5.2	<u>Proposal</u> <u>£m</u>
Base Budget 2013/14	15.658
Growth (outlined in 4.3)	0.851
Savings (outlined in 4.2)	(0.846)
Savings to be identified	<u>(0.104)</u>
Net budget	<u>15.559</u>
Funded By:	
Government Grants/Retained Rates	(8.357)
Council tax (band D £224.19)	<u>(7.202)</u>
Total Resources	<u>(15.559)</u>
Forecast General Reserve 31.03.14	£4m

5.3 Should the resources allocated by way of retained business rates and RSG differ from the assumptions, the suggested strategy would be to make the additional resources available to the capital programme. Should the resources be less than the assumptions then they should first reduce the addition to the capital programme resources, then reduce the contingency by up to £100,000 and beyond that, a further review of the service and financial plans will be required to identify additional savings/reduced growth. As a last resort the MTFS allows for reserves to be used in the short term until further corrections can be made.

5.4 Principal risks:

Risk / Issue	Comments/possible mitigation
Government announcements to further restrict local government settlement	Overall reduction now projected at 50% over 2010/11 levels. Contingency (£300k) and reserve levels above the minimum to be flexed to accommodate. Potential use of some New Homes Bonus and or new burdens funding.

Government – other grants	Housing Benefit (£0.8m) already announced Council budget not dependent on ad hoc reward grants.
Increase in inflation on pay and prices	Current inflation rate built in proposal for external contracts. Negotiations with main suppliers underway to reduce contractual entitlement.
Cumulative effects of the above being uncontainable	Priority based budgeting methodology would allow some further savings proposals to be brought forward. Growth could be reviewed and reserves used in the short term.

6.0 Capital Programme 2013/17

- 6.1 The Council currently finances its capital programme from capital receipts and grants and contributions. There is currently £0.5m of internal identifiable capital resources available for the next three years.
- 6.2 It is intended that any revenue headroom created by the 2014/15 revenue budget will be reinvested in the Capital programme.
- 6.3 In addition to these resources, borrowing is permitted on a business case basis where savings or new income generated from a scheme can repay the capital costs. An example of this is the "Solarbourne" project which is now contributing approximately £75,000 per annum to the net budget after repaying the cost of capital.
- 6.4 Additional individual schemes to be added to the capital programme linked to priorities will be developed as part of the development of the corporate plan in January and contained in the final budget and capital programme proposals to be agreed by the Full Council in February.
- 6.5 It should also be noted that unlike the Council Tax, the capital programme can be varied at any time and that there are duties under certain schemes to consult with those affected before schemes are commenced. As well as schemes financed from internal resources, the corporate plan will include schemes financed from external resources.

7.0 Consultation

- 7.1 As outlined in sections 1 & 2, consultation is planned both internally and externally to supplement the comprehensive consultation programme to date which is reported elsewhere on the agenda.

8.0 Implications

- 8.1 None directly in respect of this report, the consultation with stakeholders will identify any significant implications, which will be reported alongside the final budget recommendations in February.

9.0 Conclusions

- 9.1 The Council is well placed to deal with the lasting effects of the economic downturn and subsequent reduction in support by The Government however this has restricted choice in respect of new services requiring recurring investment.
- 9.2 Due to the healthy reserves position it is possible that further one off investments in services can be considered as part of the corporate planning and budget setting process.
- 9.3 Should the budget proposals remain materially intact following consultation and further announcements, The Council will have continued to shift its basic financial position towards longer term sustainability as outlined in the MTFS.

Alan Osborne
Chief Finance Officer

Background Papers:

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

Budget 2013-14

Cabinet Reports: – Finance Matters Each Cabinet Meeting
- Budget Setting February 2013.
- MTFS July 2013.

Audit Committee- Final Accounts- September 2013.

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

Dept	Proposed Savings Service	Proposal	2014/15 £'000
Efficiency Savings			
CorpS	High Level Service	SSDS (Future Model Phase 1)	(300)
CorpS	Financial Services	Pay Review - New scheme embedded. Historical budget	(15)
CorpS	Financial Services	Cash Collection contract savings	(1)
CorpS	Financial Services	Financial Services Restructure - Overachievement of 2013/14 restructure target	(20)
CorpS	Strategic Development	Cease subscription to Local Futures data source	(5) *
CorpS	IT and E Government	IT Contract savings	(11)
CFirst	Specialist Advisory Team	Waste contract savings - provisional sums not required	(170)
ComS	Bereavement Services	Reduced Gas consumption	(30)
ComS	Housing	Management changes - vacant post	(43)
ComS	Housing	Shared initiatives post no longer in operation	(10)
TS	Events	Purchase of new racking system reducing hire costs for the Beer Festival	(2)
Efficiency Savings Total			(607)
Income Generation			
CorpS	High Level Service	Wi-Fi Project	(25)
ComS	Bereavement Services	RPI Fee Increase base cremation	(39)
ComS	Bereavement Services	RPI Fee Increase other services	(3)
ComS	Bereavement Services	RPI Fee Increase memorial	(5)
ComS	Bereavement Services	RPI Fee Increase burial	(15)
ComS	Revenues & Benefits	Housing Benefit Overpayment Income - Increased recovery on outstanding debt - based on current performance	(60)
ComS	Revenues & Benefits	Single Person Discount Review increasing collectable Council Tax. Other preceptors also receive benefits	(40)
TS	Events	Increase in participation in Beachy Head Marathon	(4)
TS	Events	Increased income for Spring Event.	(12) *
TS	Events	Additional income/saving from Banners	(6) *
Income Generation Total			(209)
Other Changes			
CorpS	Financial Services	Unfunded pensions - Reduction in cpi prediction for 13/14 and fall out of pensioners	(23)
ComS	Housing	Brighton Housing Trust Grant	(5)
ComS	Community Development	Reduction in Rent Support Grant	(2)
Other Changes Total			(30)
TOTAL SAVINGS			(846)
Non Recurring Savings			
ComS	Revenues & Benefits	New Homes Bonus paid for 6 years from initial claim. Other preceptors also receive benefit - Council currently treats as one off	(150)

* Linked savings & growth items

Dept	Recurring Growth Service	Item	2014/15 £'000
Corporate Inflation			
Corporate		Pay Award, contractual increments and pension auto enrolment	170
Corporate		Inflation on external contracts and other inflation	260
Corporate		Capital Financing (Target £100,000 to be confirmed)	TBC
Corporate Inflation Total			430
Changes in Income targets			
CFirst	Neighbourhood First Team	Unachievable Hyde Gardens parking income target	25
CFirst	Neighbourhood First Team	Unachievable fixed penalty notice income target	6
ComS	Bereavement Services	Reduction in burial income due to Ocklynge and Langney cemeteries space restriction	28
Changes in Income Total			59
Other Growth			
CorpS	Financial Services	Licence and support costs moving to hosted solution for ICON system	9
CorpS	Financial Services	Valuation costs to carry out annual desktop review of all non-current assets, including Heritage Assets	5
CorpS	Strategic Development	Subscription to ESD toolkit for national based data	1
CorpS	IT and E Government	Wi Fi Upgrade - Existing Devonshire Park wifi is no longer fit for purpose. This will support a robust, fit for purpose corporate public wifi solution with content filtering for legal compliance.	5
CorpS	IT and E Government	Government Connect - To fund additional security devices and specialist security consultancy to meet ongoing Government Connect requirements.	10
CorpS	Systems Administration and Support	Future Model Phase 2 systems annual support and maintenance - essential to maintain systems that underpin the model (part of original business case).	90
CFirst	Specialist Advisory Team	Evidence and background studies provided by external consultants to inform production of our Local Plans in accordance with the Local Development Scheme	20
CFirst	Specialist Advisory Team	Marketing budget for CEPE to engage on active, healthy and low carbon lifestyles	20
CFirst	Service Improvement and Development	Mosaic Public Service - Improved tool to replace Local Futures (offered as saving under Corporate Services) and provide detailed demographic data to ensure service improvement work is evidence based and as effective as possible.	5 *
ComS	Bereavement Services	Increase in cost of boiler maintenance /servicing and replacement of main chapel loop system	5
ComS	Revenues & Benefits	DWP/LCT Admin Grant reduction	80
TS	Events	Cost of the new Walking Festival which presents a risk as costs are not fully known and income is dependent on good weather.	7 *
TS	Tourism	Finance officer - The Catering service was brought back in house without the transfer of finance staff, this will build this requirement back into the service.	25
TS	Tourism	Tennis Catering Contract - The contract for providing catering to the AEGON International was not part of the transfer to in house provision	80
Other Growth Total			362
TOTAL PROPOSED RECURRING GROWTH			851

Non Recurring Service Investments

Group	Service	Proposal	
CorpS	Estates Management	Future years subject to re-structure to Corporate Landlord model	177
CFirst	Specialist Advisory Team	Review EB Park Flood Storage Scheme	65
CFirst	Specialist Advisory Team	Green Flag Parks management plans	15
CFirst	Specialist Advisory Team	Activating Eastbourne - To enable the Big week of Work and 50+ employment workshop to take place	5
CFirst	Specialist Advisory Team	Risk assessment of Eastbourne's vulnerabilities to a changing climate - consultants report to understand impact of changing climate on the town	25
CFirst	Specialist Advisory Team	Environmental enhancements for provision of shade and additional pollinating insect habitat	15
CFirst	Neighbourhood First Team	Prevention activities to fund literature, branding, conference facilities to enable the Neighbourhood First Team to build stronger links with communities, engaging with specific groups on specific problems	7
ComS	Housing	Contribution to Intensive Family Intervention Project	12
ComS	Revenues & Benefits	Bailiff contract - Specialist advice to draw up contract specification	5
ComS	Revenues & Benefits		30
ComS	Revenues & Benefits	Increase in Capita telephone contract costs - phase 2 implementation will reduce cost New Homes Bonus - Invest to increase income - to fund review of empty properties to ensure maximum uptake of New Homes Bonus	35
ComS	Revenues & Benefits	Liberata overpayment software - Invest to increase income - to fund software to maximise overpayment recovery	7
ComS	Community Development	Funding to continue fixed term Community Post for full year pending implementation of Future Model phase 2	12
TS	Events	Purchase plastic chairs, tables and patio heaters to replace broken stock and improve bar catering offer	1
TS	Events	Samsonite folding seats to replace rusting/ broken stock for use during tennis tournaments and events	5
TS	Events	Hand held radios	2
TS	Events	Pedestrian Sprayer	5
TS	Events	Lamppost banner advertising - Invest to save	6 *
TS	Sport and Leisure	Tennis Development to support the coaching aspects of the Capital development bid to the Tennis Foundation - which will provide information, advice and guidance, booking software and court improvements.	6
TS	Tourism	Beach House water connections to provide their own water supply enabling them to open in the winter. We receive an income from their lease.	4
TS	Tourism	Engine for the Lifeguards boat - engine is now ten years old and showing signs of failure.	3
TS	Tourism	Additional showers on the seafront to improve the visitor offer - we currently offer just two beachfront showers	5
TOTAL NON RECURRING INVESTMENTS			447

* Linked savings & growth items

Body:	Cabinet
Date:	5 February 2014
Subject:	General Fund Revenue Budget 2014/15 and Capital Programme 2013/17
Report Of:	Chief Finance Officer
Ward(s)	All
Purpose	To agree the detailed General Fund budget proposals for 2014/2015 and Capital Programme 2013/2017.
Decision Type:	Key Decisions requiring approval of Full Council
Recommendation:	Members are asked to recommend the following proposals to Full Council: <ul style="list-style-type: none"> (i) General Fund budget for 2013/14 (Revised) and 2014/15 (original) (Appendix 1) including growth and savings proposals for 2014/15 as set out in Appendix 2. (ii) No increase in the Council Tax for Eastbourne Borough Council resulting in an unaltered Band D charge of £224.19 for 2014/15. (iii) General Fund capital programme and financing 2013/17 as set out in Appendix 3. (iv) Note that the business rates base for 2014/15 will not be finalised until after this report is published, members will be updated verbally.
Contact:	Alan Osborne, Chief Finance Officer, Telephone 01323 415149 or internally on extension 5149. E-mail address: alan.osborne@eastbourne.gov.uk

1.0 Introduction

- 1.1 This report sets out the general fund revenue budget proposals for 2014/15 and a rolling three year capital programme 2013/17.
- 1.2 The Housing Revenue Account 2014/15 and associated capital programme, together with rent setting for 2014/15 is subject of a separate report elsewhere on this agenda.
- 1.3 The Council revised its medium term financial strategy (MTFS) in July 2013 and the Cabinet recommended a resulting draft 2014/15 budget proposal in December 2013 following the service and financial planning process in the autumn.

1.4 The MTFS and the draft budget have been subject to consultation as reported to Cabinet and Scrutiny in December.

1.5 The budget is the product of various plans and strategies as part of an integrated and corporate planning process and is linked principally to:

- The MTFS
- Asset Management Plans
- The Corporate Plan
- Workforce Strategy
- Treasury Management Strategy
- Service Plans
- HRA business plan
- DRIVE corporate transformation programme
- Sustainable Service Delivery Strategy

1.6 The Chief Finance Officer has a specific legal responsibility to give positive assurances on:

- The robustness of the estimates used in the budget
- The level of reserves

If the recommendations of this report are agreed then these assurances will prevail.

2.0 Summary of recommended budget proposals

2.1 The budget proposals include:

- No increase in the Council Tax in 2014 / 15
- Overall savings/new income totalling £0.808m (5% of the net budget)
- Efficiency savings of £0.608m (3.8% of the net budget)
- Inflation of £0.430m (2.6% of the net budget)
- Other recurring service growth of £0.421m
- Non recurring service investments £0.446m
- General Reserves averaging in excess of £3.8m (against a minimum recommended of £2m)
- Capital resources of £0.8m invested in new capital schemes

Available earmarked reserves in addition to the budget:

- Strategic change fund £0.7m
- Economic Regeneration reserve £0.5m

2.2 The budget represents continued management of financial risks by:

- Building on a balanced outturn position
- Balancing the base budget requirement without needing to use reserves for recurring expenditure
- Identifiable and deliverable savings with accountability and no general unidentified targets
- Reserves well above the minimum level
- Zero basing of minor reward grants

- Providing the funding required for the DRIVE change programme to deliver the future savings required by the MTFS via the strategic change fund.

3.0 2014/15 Resources

3.1 Government Funding

3.2 The underlying methods of Local Government financing were changed significantly from 2013/14 and further revisions for 2014/15 include the wrapping up of grants in the base "Start Up Funding" notably:

- The Localisation of Council Tax grant (previously £1.2m)
- The Council Tax Freeze grant 2013/14
- New burdens grants

3.3 The Most notable change therefore is to apply the Localisation of Council Tax grant to the same method of distribution as the Formula Grant (previously it was a quid pro quo for the erosion of the tax base) this has meant a further loss of resources for Eastbourne in excess of £150,000.

3.4 For Eastbourne the Headline figures of the two year Government settlement are:

- A reduction in revenue grants of £0.9m (19%)
- A further cut in baseline funding of £1m (20%) for 2015/16
- Partially offset by New Homes Bonus (additional £0.350m in 2014/15 rising by a further £0.4m in 2015/16)

3.5 The NNDR business rate base has reduced slightly (£50,000) largely as a result of additional appeals, this is a provisional figure that will not be finalised until 31.1.14 as the Government had only just released the "NNDR 1" form that is used to calculate the base at the time of writing the report.

3.6 In addition to the formula grant the Government is financing the cost of a 1% increase in council tax (£81,000) which it has confirmed will be put in the base for 2015/16 and beyond.

3.7 The Government has announced that Eastbourne will receive £897,000 in total of new homes bonus due to the growth in housing in the area and the further reduction in empty properties. Of this £500,000 is to be transferred to the Regeneration Reserve to fund economic initiatives in line with the MTFS. The grant is paid in tranches for six years. The 2014/15 figure includes 4 tranches. The funding is not guaranteed beyond a 6 year horizon for each tranche. The projected award for 2015/15 is £1.3m. The Government is financing the additional NHB from reductions in RSG, therefore, whilst volatile, it is becoming the preferred method of distribution of resources.

3.8 Council Tax

- 3.9 The proposal for no increase in council tax for 2014/15 results in an unchanged Band D rate of £224.19 for the Council (14% of the total bill).
- 3.10 The Council has to give an indication of likely future council tax rises, it is still expected that council tax will rise by no more than 2% per annum for each of the next three years. This is the Government's target for inflation and also the current ceiling on rises that would otherwise require a referendum in order to exceed.
- 3.11 Within this context, for 2014/15, the Council will raise £7.2m from its share of the council tax. This is determined by multiplying the council tax base of Band D equivalent dwellings by the Band D tax rate of £224.19. This is unchanged from the December tax base setting report.
- 3.12 In addition, there is a negative distribution of £14,000 payable by EBC to the collection fund due to a minor collection fund deficit.

3.13 **Summary – 2014/15 Resources**

A summary of the resources available is shown below:

Source:	£'m
Government formula grant	(3.735)
Retained business rates	(3.464)
New Homes Bonus	(0.897)
Council tax freeze grant	(0.081)
Grant for weekly household collection	(1.300)
Council Tax	(7.202)
Collection Fund Deficit	<u>14</u>
Total Resources Available (Rounded)	<u>(16.665)</u>

- 3.14 In order to achieve a balanced budget without using reserves, the Council will need to set a net expenditure budget for 2014/15 of £16.665.

4.0 Specific Grants

- 4.1 In addition to the general grant distributed through the new formula grant system, which is given towards financing the Council's net expenditure, the Government also provides some specific grants. These specific grants will fund in part or in full, service costs.

Grant	2014/ 15 £'m
Housing Benefit Subsidy	(48)*
Housing Benefit Administration	(0.8)
Household collection grant	(1.3)

- 4.2 Housing Benefit Subsidy:

As part of a national scheme delivered locally, this grant is intended to reimburse the Council for the awards of benefit it makes to eligible tenants in both the private and public rented sector. Not only is this by far the largest single specific grant that the Council receives, but it is performance related. The Council has improved its performance in recent years.

A new system of universal credits is due to be completed in October 2017 which will see the caseload moved to the Department for Work and Pensions. Responsibility for council tax benefit has now devolved to a local level.

4.3 Housing Benefit Administration:

This is to fund the cost to Eastbourne of administering the national Housing Benefit and local Council Tax Support schemes. This represents a reduction of 10% from the 2013/14 funding.

4.4 Homelessness:

This is intended to assist with prevention and to find alternative accommodation other than bed and breakfast. This grant has now been subsumed into the main grant system.

4.5. New Homes Bonus:

This began in 2011/12 (£187,000) and is guaranteed for six years. A further £190,000 was been awarded for 2012/13 and £180,000 in 2013/14 making a total payable of £557,000 in 2013/14. Further increases will take this source of funding to approximately £1.3m per annum by 2015/16. The Council's policy as outlined in the MTFS is to utilise surplus grant for economic regeneration initiatives. A separate reserve has been set aside for that purpose.

5.0 **Budget movement 2013/14 to 2014/15**

5.1 The detailed budget proposals are set out in **(Appendix 1)** show in detail the movement from the 2013/14 budget to the 2014/15 proposed budget. The movements are summarised below:-

5.2	Movement from 2013/14	£m	£m
	Base Budget		
	Change in resources:		
	RSG and New Homes Bonus	0.6	
	Retained business rates	0.1	
	Council tax – decrease in tax base/collection	0.1	
	Cost increases:		
	Inflation	0.4	
	Other unavoidable costs increases and changes in income	<u>0.4</u>	1.6
	Savings:		
	Efficiency savings	(0.6)	
	Increased Income	(0.2)	
	Reduced contributions to reserves	<u>(0.8)</u>	<u>(1.6)</u>

- 5.3 If Cabinet approves the proposals set out in the report it will be able to recommend to Council on 19th February a balanced budget in line with available resources without the need to use reserves.
- 5.4 The Council now follows a rolling three year financial planning cycle and the service and financial plans have been set out in detail for 2014/15. The next MTFS due in July will project forward a further three years and continue to provide the basis of service and financial planning for the medium term. It should be noted that at a significant level the savings required for the next MTFS have already been identified, further reports to Cabinet will detail the business plans under the transformation programme (DRIVE)
- 5.5 The Government has set out a revised four year programme of reductions in funding and the Council's current MTFS already takes account of this.

The change programmes in place such as Agile and the SSDS and the rest of the DRIVE programme are projected to deliver savings over and above the minimum in order to create headroom for investment in priority services.

6.0 Risks, Contingencies and Reserves

- 6.1 All budgets contain an element of financial risk. The Council sets an operational budget with careful consideration of known risks, but accepts that this cannot cover every eventuality. As a consequence the Council sets a contingency budget and holds a minimum level of general reserve as a hedge against additional and significant financial turbulence.

6.2. Principal Risks

The key areas of financial risk that the Council faces in the operation of its 2014/15 budget are:-

- Housing Benefit Performance
- Inflation on goods and services
- Income from services linked to customer choice (theatres, tourism; sports centres, car parking)
- Demand led services (e.g. bed and breakfast)
- Legal challenges

On an exception basis, information on each of the risk areas identified above, together with any new and significant risks that may emerge over the course of the year, will be included in each financial performance report to Cabinet and Scrutiny during the 2014/15 financial year.

6.3 Contingencies

The 2014/15 budget includes a corporate contingency budget of £178,000 to allow for unbudgeted expenditure or reductions in income. This is in addition to the known inflation that has been built into the service budgets. The Government has announced a 1% cap on pay rises in 2014/15 therefore £120,000 has been included as a further contingency in service budgets for this purpose.

6.4 Reserves

Part 2 of the 2003 Local Government Act requires the Chief Finance Officer to report on the adequacy of the proposed financial reserves, and determine the minimum level required. There is no statutory minimum requirement, but reserves must be set at a prudent level given the activities of individual Councils and potential liabilities that they face or may face in the future i.e. a risk based approach. The Council's earmarked reserves are reviewed at least annually for adequacy. If at any time the adequacy is in doubt the Chief Finance Officer is required to report on the reasons, and the action, if any, that he considers appropriate.

The Council will always seek to contain any unforeseen additional costs within allocated annual budgets, including the contingency budget. However, it is proposed that in addition the minimum level of general reserves be set at £2m based on the following:

6.5	Risk	£m
	Unexpected Events e.g. flooding, major storm in excess of Bellwin Scheme provision	0.5
	Significant financial overruns e.g. prior year negative Housing Benefits subsidy adjustments and costs of welfare reform	0.5
	Exceptional fluctuations in income that have a major corporate impact e.g. loss of major sponsor close to an event (2% of income)	0.3
	Cost of providing priority services during an incident or emergency in excess of insurance cover	0.3
	Exceptional fluctuations in costs or demand that have a major corporate impact e.g. fuel costs	0.2
	Cost of significant breach of legislation e.g. health and safety, human rights	0.2
	TOTAL	2.0

The overall proposed minimum level of £2 million is the same as the current year and in line with the risk assessment outlined above. It is the view of the Chief Finance Officer that this level of reserves remains adequate to meet the current commitments and proposals detailed within this report and any unforeseen expenditure that cannot be met by external resources.

Should the budget recommendations be followed, the level of general fund reserve is projected at £3.8m by March 2015 (**Appendix 1**). In addition to acting as a potential buffer against future risks, this should create further opportunities for one off investments in the future.

6.6 Earmarked Reserves:

The following revenue reserves have been set aside in addition to the general reserve in order to facilitate projects under the DRIVE programme. The available balances at 31.3.15 are projected to be **(Appendix 1)**:

Reserve	Purpose	Amount £'m
Strategic Change	To fund internal transformation projects under DRIVE	0.7
Economic Regeneration	To promote economic growth	0.5

6.7 Other earmarked revenue reserves:

The Council has been following a process of consolidating its reserves into the corporate reserves above. This better facilitates corporate priority planning. The only further reserves that the Council holds have other obligations attached (e.g. Section 106/partnership contributions).

6.8 The Chief Finance Officer is satisfied that the integrated budget and corporate planning process provides a robust basis for identifying appropriate budget estimates and appropriate level of reserves.

7.0 Capital Programme 2013-2017

7.1 The principles for formulating the capital programme were set out in the draft budget report submitted to Cabinet on 11th December 2013. The proposed new schemes to be financed are shown in **bold** in at **(Appendix 3)**.

7.2 The Council has a policy of only using borrowing for schemes that are invest to save and can generate enough savings or additional income to service the financing costs.

7.3 In addition to schemes that qualify for borrowing the Council had a further £0.8m of capital resources to apply to the programme.

7.4 The Housing Revenue Account capital programme is set out in another report on the agenda and is financed entirely from HRA resources. Once approved it will be amalgamated with the general fund programme.

7.5 No uncertain future capital receipts have been factored into the available resource so there will be opportunities to supplement the programme as the three year period progresses. Potential disposals will be identified by the asset management plans.

8.0 Consultation

8.1 The Council's medium term financial strategy and the resulting draft budget proposal for 2014/15 as reported to Cabinet in December have been subject to wide and varied consultation. The outcome of which was reported to the

Cabinet in December. The Scrutiny Committee held a finance event in October and has been invited to comment on the budget proposals.

9.0 Implications

9.1 Financial

The financial implications of all budget proposals are set out throughout the report and/or within its Appendices.

9.2 Human Resources

Implications have been discussed with Members through the detailed service and financial planning process, and where appropriate with the local Branch of Unison. Specific staff briefings have taken place as necessary.

9.3 Environmental

Both capital and revenue budget proposals include improvements to the maintenance of Council buildings and open spaces across the town. These include a number of energy efficiency initiatives to reduce usage, cost and emissions. Consultation with residents demonstrates that these types of initiatives are well supported and are seen as high priority areas for new investment.

10.0 Conclusions

10.1 The Council is well placed financially to meet the demands on its services as well as the reductions in Government support over the medium term.

10.2 The new method of distributing Government funding for local government gives incentives for new development both domestic and business.

Alan Osborne
Chief Finance Officer

Background Papers:

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

Cabinet reports:

December 2013

- Council Tax Base for 2014/15
- Draft Budget Proposals 2014/15
- Consultations on Council priorities

July 2013 – Medium Term Financial Strategy

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

	2013/14 Original Budget £'000	2013/14 Revised Budget £'000	2014/15 Budget £'000
Corporate Services			
Corporate Management	251	255	268
Corporate Services	1,891	2,136	1,828
Corporate Financial Services	1,583	1,665	1,819
Corporate Development	1,384	1,333	1,410
Corporate Infrastructure and Customer First	8,472	8,335	8,197
	13,581	13,724	13,522
Community Services			
Service Management	(38)	(38)	(38)
Direct Assistance	(423)	(216)	(309)
Community Activity	530	602	554
Strategic Performance	(215)	(197)	(210)
	(146)	151	(3)
Tourism & Leisure Services			
Service Management	98	99	98
Sport & Leisure	298	306	314
Theatres	746	749	720
Tourism	462	488	551
Events & Devonshire Park	573	577	491
Towner	655	673	681
	2,832	2,892	2,855
Net Service Expenditure	16,267	16,767	16,374
Contributions to/(from) Unearmarked Reserves	(294)	68	(209)
Contributions to/(from) Earmarked Reserves	NIL	NIL	NIL
Contributions to/(from) Strategic Change Fund	1,000	846	NIL
Contributions to/(from) Capital Programme Reserve	NIL	(15)	NIL
Contributions to/(from) Regeneration Reserve	432	(92)	500
Contributions to/(from) Revenue Grants	NIL	(1)	NIL
Eastbourne Borough Council Budget Requirement	17,405	17,573	16,665
Financed by			
Government Formula Grant	(4,613)	(4,796)	(3,735)
Localisation of Council Tax benefit support transition	(33)	(33)	NIL
Grant to support weekly collection of domestic waste	(1,298)	(1,298)	(1,300)
New Homes Bonus	(557)	(557)	(897)
Retained Business Rates	(3,518)	(3,503)	(3,464)
Council Tax Grant	(83)	(83)	(81)
Contribution to Council Tax Deficit/(Surplus)	(22)	(22)	14
Council Tax Collection Fund Precept	(7,281)	(7,281)	(7,202)
Total Financing	(17,405)	(17,573)	(16,665)

	2013/14 Original Budget £'000	2013/14 Revised Budget £'000	2014/15 Budget £'000
General Fund Reserve			
In hand at 1st April	(3,756)	(3,919)	(3,967)
Transfer to Regeneration Reserve	NIL	NIL	NIL
Transfer General Fund Surplus	(297)	NIL	NIL
Financing of Non Recurring Expenditure	591	(52)	471
Withdrawal/(Addition)	NIL	(16)	(262)
Allocated for Future Use	NIL	20	NIL
In hand at 31st March	(3,462)	(3,967)	(3,758)
Strategic Change Fund Balance			
In hand at 1st April	NIL	(309)	(700)
Transfer from General Earmarked Reserves	NIL	NIL	NIL
Withdrawal/(Addition)	(1,000)	(846)	NIL
Allocated For Future Use	NIL	455	NIL
In hand at 31st March	(1,000)	(700)	(700)
Capital Programme Reserve			
In hand at 1st April	(227)	(643)	(85)
Transfer from General Fund	NIL	NIL	NIL
Withdrawal/(Addition)	NIL	15	NIL
Allocated For Future Use	NIL	543	NIL
In hand at 31st March	(227)	(85)	(85)
Regeneration Reserve			
In hand at 1st April	(235)	(393)	(158)
Transfer from General Fund Reserve	NIL	NIL	NIL
Withdrawal/(Addition)	(432)	92	(500)
Allocated For Future Use	80	143	170
In hand at 31st March	(587)	(158)	(488)

Corporate Services Budget 2013/14

Appendix 1

	2013/14 Original Budget £'000	2013/14 Revised Budget £'000	2014/15 Budget £'000
Corporate Management	251	255	268
Capital Financing	1,697	1,708	1,650
Contingencies	194	428	178
Corporate Services	1,891	2,136	1,828
Service Management	148	150	141
Performance and Risk Management	46	123	47
Civil Contingencies	26	26	26
Finance Management/Operational Costs	510	524	478
Corporate Finance Costs	393	379	429
Payroll and Information	104	106	90
Pensions	356	357	608
Corporate Financial Services	1,583	1,665	1,819
Service Management	223	237	234
Civic Services including Printing	439	443	446
Electoral and Local Land Charges	53	24	52
Strategic Performance	93	94	91
Legal Services	217	220	220
Human Resources Management and Admin	97	98	109
Employee Relations	64	64	64
Member Development	52	53	52
HR Resourcing and Development	146	100	142
Corporate Development	1,384	1,333	1,410
Service Management	73	85	86
IT & E-Government	1,527	1,631	1,710
Facilities Management	377	379	383
Customer First	7,100	6,829	6,456
Estates / Asset Management	(605)	(589)	(438)
Corporate Infrastructure and Customer First	8,472	8,335	8,197
Total Corporate Services	13,581	13,724	13,522

	2013/14 Original Budget £'000	2013/14 Revised Budget £'000	2014/15 Budget £'000
Service Management	91	91	91
Charges outside General Fund	(129)	(129)	(129)
Service Management	(38)	(38)	(38)
Housing Services Management	102	103	63
Revenues and Benefits	(3)	32	62
Housing Needs	151	159	156
Homelessness	NIL	167	167
Private Sector Housing	232	238	197
Bereavement	(905)	(915)	(954)
Direct Assistance	(423)	(216)	(309)
Community Development	110	123	110
Community Involvement	70	71	70
Community Grants	350	408	374
Community Activity	530	602	554
Housing / Homelessness Strategy	61	80	67
Solarbourne	(276)	(277)	(277)
Strategic Partnership	(215)	(197)	(210)
Total Community Services	(146)	151	(3)

Tourism & Leisure Services	2013/14 Original Budget £'000	2013/14 Revised Budget £'000	2014/15 Budget £'000
Service Management	98	99	98
Sport & Leisure	298	306	314
Theatres	746	749	720
Tourism	462	488	551
Events & Devonshire Park	573	577	491
Towner	655	673	681
Total Tourism & Leisure Services	2,832	2,892	2,855

Dept	Proposed Savings Service	Proposal	2014/15 Dec Cabinet £'000	2014/15 Feb Cabinet £'000	
Efficiency Savings					
CorpS	High Level Service	SSDS (Future Model Phase 1)	(300)	(300)	
CorpS	Financial Services	Pay Review - New scheme embedded. Historical budget	(15)	(15)	
CorpS	Financial Services	Cash Collection contract savings	(1)	(1)	
CorpS	Financial Services	Financial Services Restructure - Overachievement of 2013/14 restructure target	(20)	(20)	
CorpS	Strategic Development	Cease subscription to Local Futures data source	(5)	(5) *	
CorpS	IT and E Government	IT Contract savings	(11)	(11)	
CFirst	Specialist Advisory Team	Waste contract savings - provisional sums not required	(170)	(170)	
ComS	Bereavement Services	Reduced Gas consumption	(30)	(30)	
ComS	Housing	Management changes - vacant post	(43)	(44)	
ComS	Housing	Shared initiatives post no longer in operation	(10)	(10)	
TS	Events	Purchase of new racking system reducing hire costs for the Beer Festival	(2)	(2)	
Efficiency Savings Total			(607)	(608)	
Income Generation					
CorpS	High Level Service	Wi-Fi Project	(25)	(25)	
ComS	Bereavement Services	RPI Fee Increase base cremation	(39)	(39)	
ComS	Bereavement Services	RPI Fee Increase other services	(3)	(3)	
ComS	Bereavement Services	RPI Fee Increase memorial	(5)	(5)	
ComS	Bereavement Services	RPI Fee Increase burial	(15)	(16)	
ComS	Revenues & Benefits	Housing Benefit Overpayment Income - Increased recovery on outstanding debt - based on current performance	(60)	(60)	
ComS	Revenues & Benefits	Single Person Discount Review increasing collectable Council Tax. Other preceptors also receive benefits	(40)	0	This item is reflected in the CTAX base
TS	Events	Increase in participation in Beachy Head Marathon	(4)	(4)	
TS	Events	Increased income for Spring Event.	(12)	(12) *	
TS	Events	Additional income/saving from Banners	(6)	(6) *	
Income Generation Total			(209)	(170)	
Other Changes					
CorpS	Financial Services	Unfunded pensions - Reduction in cpi prediction for 13/14 and fall out of pensioners	(23)	(23)	
ComS	Housing	Brighton Housing Trust Grant	(5)	(5)	
ComS	Community Development	Reduction in Rent Support Grant	(2)	(2)	
Other Changes Total			(30)	(30)	
TOTAL SAVINGS			(846)	(808)	
Non Recurring Savings					
ComS	Revenues & Benefits	New Homes Bonus paid for 6 years from initial claim. Other preceptors also receive benefit - Council currently treats as one off	(150)	(150)	This item is reflected in New Homes Bonus

* Linked savings & growth items

Dept	Recurring Growth Service	Item	2014/15 Dec Cabinet £'000	2014/15 Feb Cabinet £'000
Corporate Inflation				
Corporate	Corporate	Pay Award, contractual increments and pension auto enrolment	170	170
Corporate	Corporate	Inflation on external contracts and other inflation	260	260
Corporate Inflation Total			430	430
Changes in Income targets				
CFirst	Neighbourhood First Team	Unachievable Hyde Gardens parking income target	25	25
CFirst	Neighbourhood First Team	Unachievable fixed penalty notice income target	6	6
ComS	Bereavement Services	Reduction in burial income due to Ocklynge and Langney cemeteries space restriction	28	28
Changes in Income Total			59	59
Other Growth				
CorpS	Financial Services	Licence and support costs moving to hosted solution for ICON system	9	9
CorpS	Financial Services	Valuation costs to carry out annual desktop review of all non-current assets, including Heritage Assets	5	5
CorpS	Strategic Development	Subscription to ESD toolkit for national based data	1	1
CorpS	IT and E Government	Wi Fi Upgrade - Existing Devonshire Park wifi is no longer fit for purpose. This will support a robust, fit for purpose corporate public wifi solution with content filtering for legal compliance.	5	5
CorpS	IT and E Government	Government Connect - To fund additional security devices and specialist security consultancy to meet ongoing Government Connect requirements.	10	10
CorpS	Systems Administration and Support	Future Model Phase 2 systems annual support and maintenance - essential to maintain systems that underpin the model (part of original business case).	90	90
CFirst	Specialist Advisory Team	Evidence and background studies provided by external consultants to inform production of our Local Plans in accordance with the Local Development Scheme	20	20
CFirst	Specialist Advisory Team	Marketing budget for CEPE to engage on active, healthy and low carbon lifestyles	20	20
CFirst	Service Improvement and Development	Mosaic Public Service - Improved tool to replace Local Futures (offered as saving under Corporate Services) and provide detailed demographic data to ensure service improvement work is evidence based and as effective as possible.	5	5 *
ComS	Bereavement Services	Increase in cost of boiler maintenance /servicing and replacement of main chapel loop system	5	5
ComS	Revenues & Benefits	DWP/LCT Admin Grant reduction	80	80
TS	Events	Cost of the new Walking Festival which presents a risk as costs are not fully known and income is dependent on good weather.	7	7 *
TS	Tourism	Finance officer - The Catering service was brought back in house without the transfer of finance staff, this will build this requirement back into the service.	25	25
TS	Tourism	Tennis Catering Contract - The contract for providing catering to the AEGON International was not part of the transfer to in house provision	80	80
Other Growth Total			362	362
TOTAL PROPOSED RECURRING GROWTH			851	851

Non Recurring Service Investments

Group	Service	Proposal		
CorpS	Estates Management	Future years subject to re-structure to Corporate Landlord model	177	177
CFirst	Specialist Advisory Team	Review EB Park Flood Storage Scheme	65	65
CFirst	Specialist Advisory Team	Green Flag Parks management plans	15	15
CFirst	Specialist Advisory Team	Activating Eastbourne - To enable the Big week of Work and 50+ employment workshop to take place	5	5
CFirst	Specialist Advisory Team	Risk assessment of Eastbourne's vulnerabilities to a changing climate - consultants report to understand impact of changing climate on the town	25	25
CFirst	Specialist Advisory Team	Environmental enhancements for provision of shade and additional pollinating insect habitat	15	15
CFirst	Neighbourhood First Team	Prevention activities to fund literature, branding, conference facilities to enable the Neighbourhood First Team to build stronger links with communities, engaging with specific groups on specific problems	7	7
ComS	Housing	Contribution to Intensive Family Intervention Project	12	12
ComS	Revenues & Benefits	Bailiff contract - Specialist advice to draw up contract specification	5	5
ComS	Revenues & Benefits	Increase in Capita telephone contract costs - phase 2 implementation will reduce cost	30	30
ComS	Revenues & Benefits	New Homes Bonus - Invest to increase income - to fund review of empty properties to ensure maximum uptake of New Homes Bonus	35	35
ComS	Revenues & Benefits	Liberata overpayment software - Invest to increase income - to fund software to maximise overpayment recovery	7	7
ComS	Community Development	Funding to continue fixed term Community Post for full year pending implementation of Future Model phase 2	12	11
TS	Events	Purchase plastic chairs, tables and patio heaters to replace broken stock and improve bar catering offer	1	1
TS	Events	Samsonite folding seats to replace rusting/ broken stock for use during tennis tournaments and events	5	5
TS	Events	Hand held radios	2	2
TS	Events	Pedestrian Sprayer	5	5
TS	Events	Lamppost banner advertising - Invest to save	6	6 *
TS	Sport and Leisure	Tennis Development to support the coaching aspects of the Capital development bid to the Tennis Foundation - which will provide information, advice and guidance, booking software and court improvements.	6	6
TS	Tourism	Beach House water connections to provide their own water supply enabling them to open in the winter. We receive an income from their lease.	4	4
TS	Tourism	Engine for the Lifeguards boat - engine is now ten years old and showing signs of failure.	3	3
TS	Tourism	Additional showers on the seafront to improve the visitor offer - we currently offer just two beachfront showers	5	5
TOTAL NON RECURRING INVESTMENTS			447	446

* Linked savings & growth items

Summary of Capital Programme 2013 to 2017

	Projected Outturn 2013/14	Total 2014/15	Total 2015/16	Total 2016/17
<u>Capital Programme</u>	£000	£000	£000	£000
Community Services	1,138	6,368	7,841	6,000
Customer First	754	1,569	1,946	300
Tourism & Leisure	37	481	-	-
Corporate & Core Services	3,426	4,946	4,070	80
Asset Management	717	1,984	581	500
Total Programme	6,072	15,348	14,438	6,880
<u>Financed By:-</u>				
Capital Receipts GF	679	1,301	446	-
Grants and Contributions	995	6,715	9,341	6,300
Revenue Contribution to Capital	514	1,092	495	-
Section 106 Contributions	473	368	-	-
Borrowing	3,411	5,872	4,156	580
Total Financing	6,072	15,348	14,438	6,880

Scheme	Total Scheme Approved	Budget agreed Cabinet Sept	Revised Budget 2013-14	Revised 2014-15	2015-16	2016-17
COMMUNITY SERVICES						
Cremator Replacement	1,935,100	36,650	36,650	0		
Memorial Safety Cems	40,000	34,000	0	34,000		
Digitalise Burial Records	10,000	10,000	0	10,000		
Crematorium - Main Chapel	21,000	21,000	0	21,000		
Disabled Facilities Grants	Ongoing	638,800	388,800	807,650	663,000	tbc
BEST Grant (housing initiatives)	Ongoing	141,100	106,100	213,000	178,000	
Social Housing Enabling						
3-17 Jevington Gardens - GF	435,000	575,000	435,000	0		
Housing Regeneration - Block Allocation	18,081,000	5,081,000	0	5,081,000	7,000,000	6,000,000
Willingdon Trees Multi Gym	20,000	20,000	0	20,000		
Solar Panels	3,400,000	172,000	172,000	0		
Ocklynge Cemetery Chapel	150,000		0	150,000		
Barbican Memorial Scheme	5,000		0	5,000		
Main Chapel Refurb - Phase 2	26,000		0	26,000		
Total Community Services		6,729,550	1,138,550	6,367,650	7,841,000	6,000,000
CUSTOMER FIRST						
Contaminated Land	185,000	102,000	5,000	97,000		
Coast Defences Beach Management Strategy	Ongoing	295,150	495,150	300,000	300,000	300,000
Cycling Strategy	45,000	40,600	0	40,600		
Park and Ride	50,000	50,000	0	50,000		
Princes Park (schemes to be decided)	210,000	183,000	0	183,000		
Play Area Sovereign Harbour	27,000	27,000	0	27,000		
Allotment Upgrade	114,000	14,100	14,100	0		
Hampden Park Skate Park	150,000	150,000	0	150,000		
Planning Software	50,000	7,950	7,950	0		
Five Acre Field - Improvements	55,000	52,500	52,500	0		
Upperton - Play Equipment	60,000	60,000	60,000	0		
RoSPA Play Equipment	15,000	15,000	15,000	0		
Churchdale Road Allotments	38,000	38,000	0	38,000		
Play Equipment - Bodium Cres	80,000	80,000	80,000	0		
Software - Grounds Maintenance	24,000	24,000	24,000	0		
Sovereign Harbour - Legal Advice	20,000	20,000	0	20,000		
Terminus Road Improvements	500,000	500,000	0	500,000		
Christmas Light	25,000		0	25,000		
CIL - Software	14,000		0	14,000		
Five Acre Field - Railings	20,000		0	20,000		
Beachy Head Visitor Centre WC	40,000		0	40,000		
Sov Harbour Community Centre	1,600,000		0		1,600,000	
Highfield Allotments	25,000		0	25,000		
Hyde Gardens WC	40,000		0	40,000		
Cross Levels Way BMX Track	46,000		0	0	46,000	
Total Customer First		1,659,300	753,700	1,569,600	1,946,000	300,000
TOURISM & LEISURE						
Redoubt Fortress Gates	20,000	5,400	5,400	0		
Redoubt Fortress Gates (2013)	22,300	22,300	22,300	0		
Volleyball Court	25,000	25,000	0	25,000		

Scheme	Total Scheme Approved	Budget agreed Cabinet Sept	Revised Budget 2013-14	Revised 2014-15	2015-16	2016-17
Signage	40,000	16,100	0	16,100		
Sports Park Flood Lights	30,000	30,000	0	30,000		
ILTC Seat replacement	5,000	5,000	5,000	0		
Re-surface Tennis Courts	170,000	170,000	0	170,000		
Wish Tower - Catering Outlet	40,000	4,000	4,000	0		
Bandstand Seating	15,000	15,000	0	15,000		
ILTC - Air Conditioning	60,000		0	60,000		
ILTC - Public Address System	20,000		0	20,000		
ILTC - Electrical System	10,000		0	10,000		
ILTC - Fire Alarm	10,000		0	10,000		
ILTC - Replacement Seating	100,000		0	100,000		
ILTC - Replacement Showers	25,000		0	25,000		
Total Tourism & Leisure		292,800	36,700	481,100	0	0
CORPORATE SERVICES						
Carbon Reduction Works	467,500	467,500	0	467,500		
Agile phase 2	555,000	153,000	153,000	0		
6 Saffrons Road Renovations	117,000	34,850	34,850	0		
Town Hall Roof	511,000	356,450	356,450	0		
Invest to Save	80,000	80,000	80,000	80,000	80,000	80,000
Redesign of CCC at 1 Grove Road	300,000	264,100	16,100	248,000		
IT Replacement - Icon	42,500	9,200	9,200	0		
Future Model Phase 1	1,250,000	358,600	358,600	0		
Future Model Phase 2	2,990,000	1,000,000	1,000,000	1,000,000	990,000	
Investment Capital	7,150,000	1,150,000	1,150,000	3,000,000	3,000,000	
IT - Block Allocation	Ongoing	268,000	268,000	150,000		
Total Corporate Services		4,141,700	3,426,200	4,945,500	4,070,000	80,000
Asset Management						
Devonshire Park Review	700,000	700,000	43,000	657,000		
Congress Theatre redesign & restoration	850,000	850,000	15,000	835,000		
Wish Tower Groundworks and site Preparation (from block allocation)	140,000	140,000	140,000	0		
Wish Tower Catering Temporary Provision (Invest to Save)	160,000	160,000	160,000	0		
Downland Water (Valve insertions)	25,000	25,000	25,000	0		
Bandstand Restoration	245,000	245,000	245,000	0		
8 Saffrons Rd - Boiler replacement	4,000	4,000	4,000	0		
Town Hall Boilers	85,000	85,000	85,000	0		
Asset Management - Block Allocation	1,743,000	0	0	492,300	581,000	500,000
Total Asset Management		2,209,000	717,000	1,984,300	581,000	500,000
GENERAL FUND TOTAL		15,032,350	6,072,150	15,348,150	14,438,000	6,880,000

BODY: CABINET

DATE: 5 February 2014

SUBJECT: HRA Revenue Budget and Rent Setting 2014/15 and HRA Capital Programme 2013/16

REPORT OF: Senior Head of Community and Chief Finance Officer

Ward(s): All

Purpose: To agree the detailed HRA budget proposals, rent levels, service charges and heating costs for 2014/15, and the HRA Capital Programme 2013/17.

Contact: Pauline Adams, Financial Services Manager
Tel 01323 415979 or internally on ext 5979

Recommendations: Members are asked to recommend the following proposals to full Council:

- i) The HRA budget for 2014/15 and revised 2013/14 as set out in **Appendix 1**.
- ii) That rents are set in line with the rent convergence target of 2016 set by Government resulting in an average increase of 4.68%.
- iii) That void HRA properties which are due for re-let are moved to target rent automatically,
- iv) That service charges for general needs properties are increased by 2.75%, slightly below the RPI index,
- v) That the service charges for the Older Persons Sheltered Accommodation currently available for let are increased by 4.83%.
- vi) That heating costs are set at a level designed to recover the estimated actual cost.
- vii) That water charges are set at a level designed to recover the estimated cost of metered consumption.
- viii) That garage rents are set to increase by 4.68% in line with the average increase in housing rent.
- ix) To give delegated authority to the Senior Head of Community, in consultation with the Cabinet Portfolio holders for Community Services and Financial Services and the Financial Services Manager to finalise Eastbourne Homes' Management Fee and Delivery Plan.
- x) The HRA Capital Programme as set out in **Appendix 2**.

1.0 Introduction

- 1.1 As from the 1 April 2012 the way that council social housing is financed was changed and the HRA became self financing. This means that expenditure has to be entirely supported from rental and other income. The main tool for the future financial management of the HRA is the 30 year Business Plan which was approved by Cabinet on 8 February 2012.
- 1.2 The introduction of HRA self financing does not end the requirement to maintain a statutory ring fenced HRA and the council is still required to maintain a separate account for the income and expenditure on council housing.
- 1.3 This report reflects the recommendations made by Eastbourne Homes in relation to the increases in rent levels, service and other charges.

2.0 2014/15 HRA Revenue Budget

- 2.1 The 2014/15 budget has been prepared following the principles adopted within the HRA 30 year Business Plan and is attached at **Appendix 1**.
- 2.2 The 2014/15 budget is showing a surplus of (£307,760) which is due to a number of one off favourable factors as listed below.
- 2.3 The major changes between the 2013/14 and the 2014/15 budgets are:

Income increases and expenditure reductions:

- Effect of rent and service charge review -£640,630
- Fall out of premia for early debt repayment in prior years -£148,750
- Preliminary reduction in EHL Management Fee -£100,000
- Change in requirement for Revenue Contribution to Capital -£74,820
- Change in provision for bad debts, see (2.4) below -£343,500

Increase in Expenditure and income reductions:

- Change from 53 week rent year to 52 weeks £263,250
- Depreciation, in line with Business Plan to cover the future requirements of the Asset Management Plan £202,650
- Contribution to Housing Regeneration Reserve £500,000

- 2.4 An increase to the Provision for Bad Debts was included in the 2013/14 budget to deal with the increased risk to rent collection from benefit changes. Based on the actual rent collection performance this risk has decreased, however a prudent increase over 2012/13 has still been included in the 2014/15 budget.
- 2.5 The Business Plan allows for a revenue contribution to support capital expenditure for the three years 2013/14 to 2015/16 based on the asset management spending requirement peaking over these years in excess of the balance on the Major Repairs Reserve (MRR), until decreasing again by year five of the business plan. After this time surpluses begin to accumulate in the MRR as the cash backed depreciation allowance of £4m per year will start to exceed the capital spending requirements.

- 2.6 The HRA debt outstanding at 31.3.13 was £36.2m rising to £38.7m by 31.3.16 the majority of which will be external debt and at fixed interest rates. The increase in borrowing of £2.5m is expected to be undertaken mainly to support the SHEP programme. The additional interest payable from this borrowing will be funded from the additional rental as the properties are let. The Council's treasury management advisors are predicting that the currently low levels of interest rates will continue into 2014/15 and the interest budget has been prepared on this basis.
- 2.7 Under the self financing settlement the government set a cap on total HRA borrowing of £42.96m. The 30year Business Plan assumes from 16/17 to 28/29 that an average debt repayment of £2.8m per annum is funded from the HRA Revenue Account. This will either be used to fund the repayment of debt or be used to reinvest in housing properties in lieu of new borrowing.
- 2.8 The HRA outturn for 2013/14 is expected to deliver a (£314,950) surplus, a positive variance of £450,400 over the original budget (3.4% of gross expenditure). This is mainly as a result of the decrease in the requirement of the provision of bad debts of £390,000 and a decrease in the amount of interest payable of £65,000 from the continuing lower interest rates anticipated last year.
- 2.9 The HRA Business Plan is based on a policy for a minimum level of HRA balance of £1m to maintain a prudent level of reserve to ensure that the HRA remains sustainable in the longer term and is able to deal with any risks posed by the current economic climate.

The Balances on the HRA and Reserves are as follows:

	HRA £'000	MRR £'000	Housing Regeneration & Investment Reserve £'000
Balance at 1.4.13	2,179	2,671	298
Surplus/(Deficit)	315		
Depreciation		3,392	530
Major Works expenditure		-5,934	
Estimated Balance 31.3.14	2,494	129	828
Surplus/(Deficit)	308		
Revenue Contribution			500
Depreciation		3,504	603
Major Works expenditure		-3,633	-1,094
Estimated Balance 31.3.15	2,802	0	837

These are within the HRA strategy and policy expectation of the Business Plan.

3.0 Rent Levels for 2014/15

- 3.1 On 5 December 2001, the Council agreed that housing rents would be set in accordance with the Governments proposals to achieve rent convergence for all social tenancies over a ten year period, using the government's specified rent convergence formula. The timetable for convergence was subsequently extended. Under the HRA self-financing settlement the government has assumed that rent convergence is achieved in 2015/16.
- 3.2 To avoid any large variation in the rent level from one year to the next, the Government proposals limited any changes to individual tenants' rents to a maximum of £2 per week, plus RPI plus 0.5% each year.
- 3.3 The RPI for September 2013 was 3.2% and this plus the 0.5% increase gives a formula rent increase of 3.7% for 2014/15.
- 3.4 For 2013/14 the average rent levied over 53 weeks a year was £74.51. After allowing for the damping mechanism referred to in 3.2, the average rent for 2014/15 for the properties to be retained within the HRA will be £77.89, an increase of 4.68 %.
- 3.5 Previously, setting rents above government convergence limits was discouraged by the 'rent rebate subsidy limitation' rule which made the HRA liable for the additional Housing Benefit payments generated by excess rents. Following the move to self financing, the 'limits' rule is no longer relevant to local authorities and could potentially move all their properties to target rent simultaneously.
- 3.6 As the majority of EBC owned properties (84%) have already reached their target rent, it is recommended that all void properties that are due to be re-let are moved to target rent automatically. This will maximise the number of tenants that have reached rent convergence by the assumed convergence date of 2015/16 and increase the income to the HRA before the existing rent calculation formula ceases.
- 3.7 Within the recent 2013 spending review, it was announced that social housing rents will increase by CPI (Consumer Price Index) +1% after 2014/15 until 2024/25. The revised formula, which is set to run for 10 years starting in 2015/16, will replace the existing formula.
- 3.8 Modelling this change into the Business Plan has identified that there will be little impact on the HRA, due to the Council having reached convergence by the new cut off date and the difference between the old and new rent formulae being minimal as it amounts to less than six pence in the pound over twenty years.

4.0 Service Charges

- 4.1 For properties in shared blocks these charges cover common services such as communal heating, lighting, equipment maintenance contracts, cleaning and grounds maintenance. In Older Persons Sheltered Accommodation the charges additionally include On-Site Co-ordinators, Lifeline services, lift

maintenance contracts, communal furniture and carpets maintenance and internal re-decorations. These costs should be charged separately from the rent in those properties to which they apply.

- 4.2 The HRA Business Plan assumes that service costs are fully recovered through service charges and are not included in rents. This principle has been applied for 2014/15.
- 4.3 For general needs properties in blocks the average service charge increase is 2.75%. For Older Persons Sheltered Accommodation the average service charge increase is 4.83% for those properties available for let.

5.0 Heating costs - Older Persons Sheltered Accommodation

- 5.1 These charges are set in line with known price increases experienced in 2013 and predicted future costs. For 2014/15, it is recommended that the average charge increase is 1.78%. This is an increase of 12p per week for those properties available to let.

6.0 Water Charges

- 6.1 These charges are set in line with meters being fitted to all of the retirement courts. For 2014/15, it is recommended that the average charge increase is 3%. This is an increase of 10p per week for those properties available to let.

7.0 Garage Rents

- 7.1 Following the increase in garage rent in line with housing rents last year, garage void rates are slowly decreasing. The progress of this extra income still remains slow as the majority of repairs needed to the garage stock are major works requiring longer periods of time to repair and let.
- 7.2 It is therefore recommended that Garage rents are increased in line with the average increase in housing rents of 4.68%.

8.0 HRA Capital Programme 2014/15 to 2016/17

- 8.1 The Capital Programme as set out in **Appendix 2** has been prepared to meet the Council's strategies, as adjusted to reflect the availability of resources. Total budgeted expenditure for 2014/15 is £9,771,000.
- 8.2 The Decent Homes work is due to be completed by the end of 2013/14 and the remodelling of Older Persons Sheltered Accommodation by 2014/15.
- 8.3 The major works element of the programme is in line with the asset management plan and the self financing business plan model. Funding is mainly from the Major Repairs Reserve with a small contribution from revenue balances as set out in 2.5 above.
- 8.4 Cabinet on 4th September 2013, agreed a budget of £2.3m for the Support for Housing in Eastbourne Programme (SHEP), out of the total allowance of £20m HEDP programme. This has now been profiled to reflect the expected spending timetable and will be funded from borrowing and HCA grant.

9.0 Eastbourne Homes Management Fee

- 9.1 Negotiations are in progress to reduce the management fee paid to EHL for the year 2014/15 by up to £100,000. Should these negotiations be successfully concluded, the management fee will be circa £6.7m.
- 9.2 The Management Fee covers both Operational and Administration costs as well as cyclical maintenance. There is currently pressure on the maintenance budget requirement for void properties and it therefore maybe necessary to introduce an element of flexibility to transfer some of the MRR capital funding to EHL to cover this cost. It is recommended that this decision be included in the delegation set out below.
- 9.3 To formally agree the management fee Members are asked to delegate this responsibility to the Senior Head of Community, in consultation with the Cabinet Portfolio Holders for Community Services and Financial Services and the Financial Services Manager.

10.0 Consultation

- 10.1 Rent increases are subject to national policy on rent convergence. In December 2001 the Council adopted a policy of achieving convergence, based on consultation with its tenants at the time. Additional consultation was carried out through a meeting of the Eastbourne Homes' Residents Scrutiny Panel held in January 2014.
- 10.2 The Council is obliged to ensure that all tenants are given 28 days notice of any changes to their tenancy including changes to the rent they pay.

11.0 Implications

11.1 Financial and Human Resources

The council has taken a pro-active approach to the implementation of the rent convergence policy. There are no staffing implications arising out of this report.

11.2 Environmental

Eastbourne Homes is committed to delivering energy efficiency improvements in its maintenance and modernisation programme to help reduce heating costs in all homes.

11.3 Economic

Eastbourne Homes will make every effort to identify tenants who may face additional financial hardship as a result of rent or service charge increases in order to offer appropriate support and advice.

Anti-poverty activity by Eastbourne Homes takes place routinely throughout the year to maximise household income. This includes advice on benefits and

arrears management. This targeted use of resources assists greatly in ensuring housing remains affordable.

12.0 Conclusions

- 12.1 The HRA Revenue Budget has been produced based on the policies set out in the HRA 30 year Business Plan and is showing an overall surplus of (£307,760) for 2014/15. This is mainly due to a number of favourable factors including the rent and service charge review, the change in requirement for the provision of bad debts and the savings from Treasury Management activities on borrowing.
- 12.2 The rent levels have been prepared in accordance with the council's rent convergence policy and the self financing business plan assumptions. The average increase is 4.68%.
- 12.3 Following the change to self financing in the HRA, void rents are recommended to move to target routinely.
- 12.4 Service charges, heating and water charges are fixed weekly amounts set at a level to recover the expected actual cost to be incurred for the respective properties in the forthcoming year.
- 12.5 Garage rents are recommended to increase in line with the average increase in housing rents 4.68%.
- 12.6 Total budgeted expenditure on the HRA Capital Programme is planned at £9,771,000 for 2014/15, £4,258,000 for 2015/16 and £4,195,000 for 2016/17. The Decent Homes work is due to be completed during 2013/14 and the remodelling of the sheltered accommodation by 2014/15. The major works element of the programme is in line with the asset management plan and the HRA business plan model.

Pauline Adams
Financial Services Manager

Background Papers:

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

HRA 2014/15 Budget working papers held by Eastbourne Council and Eastbourne Homes Ltd.

HRA Self Financing 30 year Business Plan.

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

HOUSING REVENUE ACCOUNT

2013-14 Original Budget £' 000	2013-14 Revised Budget £'000		2014-2015 BUDGET £' 000
		INCOME	
(14,051)	(14,051)	Gross Rents	(14,439)
(892)	(922)	Charges for Services	(918)
(14,943)	(14,973)	GROSS INCOME	(15,357)
		EXPENDITURE	
6,814	6,814	Management Fee	6,714
1,283	1,297	Supervision and Management	1,255
470	89	Provision for Doubtful Debts	126
3,904	3,937	Depreciation and Impairment of Fixed Assets	4,107
468	468	Revenue Contributions to Capital Outlay	393
13	13	Statutory Contribution to the General Fund Rent Rebates	0
12,952	12,618	GROSS EXPENDITURE	12,595
(1,991)	(2,355)	NET COST OF SERVICES	(2,762)
2,115	2,049	Loan Charges - Interest	1,956
(21)	(9)	Interest Receivable	(2)
103	(315)	NET OPERATING SURPLUS	(808)
NIL	NIL	Transfer to Reserves	500
103	(315)	HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	(308)
		HOUSING REVENUE ACCOUNT WORKING BALANCE	
(2,017)	(2,179)	In Hand at 1st April	(2,494)
103	(315)	Transfer (To)/ From Working Balance	(308)
(1,914)	(2,494)	In Hand at 31st March	(2,802)

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2013/14 - 2016/17					
Scheme	Approved Budget 2013/14	Revised Budget 2013/14	2014/15	2015/16	2016/17
Managed By Eastbourne Homes					
Decent Homes Works	284,000	567,900	-	-	-
Sheltered Remodelling	2,400,000	2,054,800	1,782,000	0	0
Major Works	4,350,300	3,699,600	3,183,000	3,766,000	3,703,000
Adaptations	-	-	412,000	412,000	412,000
Environmental Improvements	80,800	80,000	80,000	80,000	80,000
	7,115,100	6,402,300	5,457,000	4,258,000	4,195,000
Langney Villas	10,000	-	-	-	-
Ratton Road	13,300	-	-	-	-
Upper Avenue	10,000	-	-	-	-
LA New Build 2013-15	2,930,000	-	2,930,000	-	-
Supporting Housing & Economic Progress Initiative (SHEP)	2,279,000	1,170,000	1,109,000	-	-
46 Upperton Gardens	240,000	40,000	200,000	-	-
Homelessness Change Programme	275,000	200,000	75,000	-	-
Total HRA Capital Programme	12,872,400	7,812,300	9,771,000	4,258,000	4,195,000
Funded by:					
Borrowing	1,919,000	810,000	1,109,000	-	-
Government Grant	416,000	416,000	-	-	-
Capital Receipts inc. RTB	2,656,800	184,000	2,406,770	-	-
Major Repairs Reserve	6,581,000	5,934,200	3,633,320	4,106,970	4,195,000
S106 Contributions	831,500	-	798,230	-	-
Revenue contributions from HRA	468,100	468,100	393,280	-	-
Reserves	-	-	1,430,400	151,030	-
Total Financing	12,872,400	7,812,300	9,771,000	4,258,000	4,195,000

Meeting: COUNCIL

Date: Wednesday 19 February 2014

Subject: COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2014/2015

Report of: Councillor Gill Mattock, lead Cabinet Member for Finance

The Council is asked to consider the reports to Cabinet, as included in the draft budget book (please see note* below) and also the Scrutiny Committee and Cabinet minutes and resolutions from the meetings held on 3 February and 5 February 2014 (Appendix 1).

* Note: The draft budget book 2014/15 has been circulated to all Members of the Council. A copy has also been deposited at the Town Hall Reception for public inspection purposes and on the Council's website.

The reports may also be viewed on the Council's website at:

<http://www.eastbourne.gov.uk/council/meetings/cabinet>

(Go to the listing for the Cabinet meeting held on 5 February 2014)

Please contact Local Democracy (see below for contact details) in the first instance if you require a printed copy of any of the reports.

The resolutions in this report, must include the requirements of all Precepting Authorities, are based on the recommendations made to those Authorities and the budget approved by the Police and Crime Commissioner for Sussex. As the meetings of the East Sussex County Council and the East Sussex Fire Authority will not be held until 11th and 14th February 2014 respectively and the Police and Crime Commissioner for Sussex has not yet issued her precept, these figures are currently left blank and it will be necessary to issue replacement resolutions once this information has been received.

A summary of the demand on the Collection Fund is as follows:

Authority	Precept/Demand		2014/15 Band D Council Tax	Change over 2013/14	
	£	%		£	%
Eastbourne Borough Council	7,202,450	100.00%	224.19	0.00	0.00%
East Sussex County Council					
Sussex Police Authority					
East Sussex Fire Authority					
Total					

After consideration of the foregoing, the Council is asked to approve the following:

1. The recommendations as detailed in the reports from the Chief Finance Officer and the Senior Head of Community to Cabinet on 5 February 2014:
 - (i) The General Fund net expenditure for 2014/15 of £16,926,750, and the growth and savings proposals.
 - (ii) No change to the council tax for Eastbourne Borough Council to a Band D charge of £224.19;
 - (iii) Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2013/14 and the budget for 2014/15, rents and service charges, arrangements for finalising Eastbourne Homes' management fee and annual plan.
 - (iv) General Fund capital programme as set out in the report of the Chief Finance Officer.
 - (v) The Treasury Management Strategy and Prudential Indicators.
2. That consequent upon a General Fund budget of £16,926,750 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £224.19 calculated as follows:

	£'000
Gross Expenditure:	
General Fund	81,102
HRA	15,443
Business Rates payable to Government	10,285
	106,830
Less Income:	
Service Income	(78,778)
Government Formula Grant	(3,736)
Other Government Grants	(3,143)
Business Rates income	(13,971)
	(99,628)
COUNCIL TAX REQUIREMENT	7,202
Band 'D' Council Tax	£224.19

The statutory resolutions relating to this matter are given at paragraphs 3 and 4 below.

3. That it be noted that at its meeting on 11 December 2013 the Cabinet (in exercise of powers delegated to them by the Council) delegated the final determination of the Council Tax Base to the Chief Finance Officer. This has been set at an amount of 32,126.5 Band 'D' equivalent properties for the year 2014/15 (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended).
- 4 Calculate that the Council Tax requirement for the Council's own purposes for 2014/15 as £7,202,450.
5. That the following amounts be now calculated by the Council for the year 2014/15 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:

(a)	£106,829,070	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£99,626,620	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£7,202,450	being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
(d)	£224.19	being the amount at 5(c) above (Item R), all divided by Item T (4 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. .

6. To note that East Sussex County Council, East Sussex Fire and Rescue Authority and Police and Crime Commissioner for Sussex have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, as amended, for each category of dwellings in the Council's area as indicated in the table below.
7. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, as amended, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each of the categories of dwellings. :

Valuation Bands							
EASTBOURNE BOROUGH COUNCIL							
A	£149.46	B	£174.37	C	£199.28	D	£224.19
E	£274.01	F	£323.83	G	£373.65	H	£448.38

EAST SUSSEX COUNTY COUNCIL							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

POLICE AND CRIME COMMISSIONER FOR SUSSEX							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

EAST SUSSEX FIRE AND RESCUE AUTHORITY							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

AGGREGATE OF COUNCIL TAX REQUIREMENTS							
A	£	B	£	C	£	D	£
E	£	F	£	G	£	H	£

7. Determine that the Council's basic amount of Council Tax for 2014/15 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2014/15 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992, as amended.

For a copy of the report please contact Local Democracy at 1 Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415021 or 415022.
E-mail: localdemocracy@eastbourne.gov.uk

For further information please contact Alan Osborne, Chief Finance Officer. Tel. (01323) 415149



Meeting: Council
Date: Wednesday 19 February 2014
Subject: Treasury management and prudential indicators 2014/15
Report of: Councillor Gill Mattock on behalf of the Cabinet

The Council is asked to consider the minute and resolution of the Cabinet meeting held on 5 February 2014 as set out below.

Further copies of the report to Cabinet are available on request – please see end of this report. A copy may be seen on the Council’s website by following the link below:

<http://democracy.eastbourne.gov.uk/ieDocHome.aspx?bcr=1>

The Council is recommended to:-

Approve the recommendations of the Cabinet as set out below.

71 * Treasury Management and Prudential Indicators 2014/15

71.1 Cabinet considered the report of the Chief Finance Officer seeking approval to the Council’s borrowing and investment strategies in line with legislative and other regulatory requirements as described in the report. The Council was required to receive and approve, the prudential and treasury indicators and treasury strategy as part of the budget setting process each year. This covered:

- the capital plans (including prudential indicators);
- a minimum revenue provision policy (how residual capital expenditure was charged to revenue over time);
- the treasury management strategy (how the investments and borrowings were to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments were to be managed).

***71.2 Resolved (budget and policy framework):** That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) The treasury management strategy and annual investment strategy as set out in the report;
- (b) the methodology for calculating the minimum revenue provision set out at paragraph 2.3 of the report;
- (c) the prudential and treasury indicators as set out in the report; and

(d) the specified and non-specified investment categories listed in appendix 3 to the report.

For a copy of the report please contact Local Democracy at 1 Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415022 or 415021.
E-mail: localdemocracy@eastbourne.gov.uk

For further information please contact Alan Osborne, Chief Finance Officer, Financial Services, 1 Grove Road, Eastbourne, BN21 4TW. Tel: (01323) 415149
E-mail: alan.osborne@eastbourne.gov.uk

(der\P:\council\14.02.19\Treasury Management)

Tuesday, 19 November 2013
at 6.00 pm



Conservation Area Advisory Group

PRESENT:-

Councillor Shuttleworth (Chairman) and Councillor Warner

Officers:

Ms J Sabin, Customer Caseworker
Ms K Quint, Specialist Advisor (Planning)

ADVISORS:

Mr Crook, Royal Institute of British Architects
Mr Howell, Eastbourne Society

(Apologies for absence were reported from Councillor Thompson and Councillor Belsey)

30 Minutes of the meeting held on 8 October 2013.

The minutes of the meeting held on 8 October was submitted and approved and the Chairman was authorised to sign them as a correct record.

The Group discussed application **130673 & 130674** (Householder & Conservation Area Consent) **11 PARK CLOSE**. Due to a technical issue at the last meeting, the Group were unable to comment on the application but agreed to be consulted following the meeting. The Group's comments following the meeting were read out by the Chairman and noted by the Group.

10) 130673 & 130674 (Householder & Conservation Area Consent) **11 PARK CLOSE**

Cons Area: Park Close

Proposal: Proposed two storey rear extension. Demolition of existing garage and erection of replacement garage. Conservation Area Consent also applied for (REF: 130674)

CAAG Comments: The Group raised objections to the mass (height and bulk at first floor level) of the extension and the impact on the space between the property and no.10.

NOTED.

31 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct (please see note at end of agenda).

Mr Crook declared an interest in item 11 – 15 Cornfield Terrace and remained in the room but did not take part in the discussion.

32 Planning Applications - Determined under Delegated Powers.

The decisions on applications within or affecting the setting of Conservation Areas or Listed Buildings determined under delegated powers were reported.

NOTED.

33 Planning Applications for Consideration.

The Customer Caseworker reported on planning applications for consideration in the Conservation Areas. The Group's comments were set out in the schedule below.

1) 130530 & 130712 (Full Plans and Listed Building Consent) 11 THE GOFFS

Cons Area: N/A

Proposal: The conversion of a detached house currently set out and used as housing in multiple occupation into a single dwelling.

CAAG Comments: No objections raised.

2) 130663 (Listed Building Consent) 16 ALL SAINTS, 22 DARLEY ROAD

Cons Area: Meads

Proposal: Installation of secondary glazing to three windows on ground floor of duplex flat.

CAAG Comments: The Group reiterated the same comments that had been made at the last meeting. The Group raised objections to the secondary glazing and the impact it would have on the character and appearance of the listed building. They were concerned that an approval would set a precedent for the whole building, particularly as the property was located on the front elevation. It was suggested that slimlite double glazing be investigated as an acceptable alternative.

Mrs Nicholls addressed the Group in support of the application.

3) 130722 & 130723 (Full Plans and Listed building Consent) AMBASSADOR HOTEL, 1-3 HOWARD SQUARE

Cons Area: Town Centre & Seafront

Proposal: Erection of an extension to the first, second and third floors at the rear to provide ensuite facilities.

CAAG Comments: No objections raised.

4) 130737 (Full Plans) 122 PEVENSEY ROAD & 142 LANGNEY ROAD

Cons Area: Town Centre & Seafront

Proposal: Change of use from auction house (Sui Generis) to Gymnasium

(D2) with installation of a frosted glazed shopfront.

CAAG Comments: The Group raised no objections in principle subject to details of the advertising being agreed with the applicant and an assurance that the venting system would be placed at the back of the property.

5) 130755 (Full Plans) 32 UPPERTON GARDENS

Cons Area: Upperton

Proposal: Demolition of block of 3 existing garages at the rear of 32 Upperton Gardens and the erection of a block of 4 garages.

CAAG Comments: No objections raised.

6) 130756 (Full Plans) ST ANDREWS SCHOOL, 72 MEADS ROAD

Cons Area: Meads

Proposal: Erection of a new sports hall (to include changing facilities, WC's, office, storage and dance studio) on existing playing field.

CAAG Comments: The Group raised no objections in principle to the proposal of a new sports hall but had major concerns with the design. The Group felt that the scale, height, bulk, materials and design of the proposal was inappropriate and would have an adverse impact on the character and appearance of the surrounding conservation area. The Group also felt that the submitted plans were inadequate for a major scheme and identified the need for plans that accurately showed the representation of the building in context with its surroundings.

7) 130786 (Full Plans) LAND AT THE REAR OF 15 HARTFIELD ROAD

Cons Area: Upperton

Proposal: Erection of 1 No. 3 bed detached chalet bungalow.

CAAG Comments: The Group raised objections to the scale, massing and design of the proposal which conflicted with other buildings in the area. Concerns were raised with the loss of boundary walling, the provision of hardstanding to the front of the site and the infilling of the planned gap in the streetscene, all of which would be out of keeping and have an adverse impact on the character and appearance of the surrounding conservation area.

8) 130851 & 130852 (Full Plans and Listed Building Consent) 37 MARINE PARADE

Cons Area: Town Centre & Seafront

Proposal: Application for amendment of design of rear extension, approved under EB/2013/0074(LB), to comply with requirements of Building Control.

CAAG Comments: No objections raised.

9) 130860 (Outline) 4 THE AVENUE

Cons Area: Adjacent to Upperton

Proposal: Erection of 6 storey building (including roof) for use as student accommodation.

CAAG Comments: The Group raised objections with the height and mass of the roof proposal which would have an adverse impact on the adjoining conservation area. The Group suggested that the building be one storey lower, to step down from Hadley House to the terraces in Upperton Gardens and the roof be a traditional pitch, as opposed to a mansard to match the

pitches of the surrounding area.

10) 130870 (Householder) 3 PARK CLOSE

Cons Area: Park Close

Proposal: Single storey side extension to form enlarged kitchen.

CAAG Comments: The Group raised no objections in principle to the reduced scheme, subject to the pitch of the two rear gables being amended to a steeper angle.

11) 130892 & 130893 (Full Plans and Listed Building Consent) 15 CORNFIELD TERRACE

Cons Area: Town Centre & Seafront

Proposal: Change of use of former guest house to a house in multiple occupation, together with demolition of garage and internal/external alterations.

CAAG Comments: No objections raised.

(NB: Mr Crook declared an interest in this item and remained in the room but did not take part in the discussion.)

NOTED.

34 New Listings.

The Customer Caseworker advised that there were no new listings.

NOTED.

35 Dates of future meetings - All at 6.00 p.m. at the Town Hall.

The date of the next meeting was confirmed as the 7 January 2014 (at 6.00pm at the Town Hall).

The meeting closed at 7.18 pm

**Councillor Shuttleworth
(Chairman)**

Tuesday, 26 November 2013
at 6.00 pm



Planning Committee

Present:-

Members: Councillor Ungar (Chairman) Councillors Harris, Hearn, Jenkins, Liddiard, Miah and Murray

(An apology for absence was reported from Councillor Taylor)

55 Minutes of the meeting held on 29 October 2013.

The minutes of the meeting held on 29 October 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

56 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct (please see note at end of agenda).

None declared.

57 2 - 4 Moy Avenue. Application ID: 130708 (PPP)

130708 (PPP) - 2-4 Moy Avenue - Demolition and redevelopment to provide 36 (Class C3) residential units, with associated car parking access and landscaping – **ST ANTHONYS**. Two objections and four general observations had been received. Two further letters of objection were reported at the meeting.

The relevant planning history for the site was detailed within the report.

The observations of the Planning Policy Manager, Housing Strategy, Arboricultural Officer, Cleansing Contracts Manager, Highways Dept, Environment Agency, County Archaeologist, Police and Southern Water were summarised within the report.

RESOLVED A: (Unanimous) That subject to formal agreement of a S106 to cover affordable housing and ESCC obligations, and subject to amendment to plan to show separation of at least 1m between existing properties of Moy Avenue and the proposed dwellings and set back in line with existing building line, then Chief Officer be delegated to grant full planning permission for demolition and redevelopment to provide 36 (Class C3) residential units, with associated car parking access and landscaping subject to the following conditions: 1) Time limit 2) In accordance with plans 3) Samples of materials (++) 4) Site Construction and Compound Management Plan (++) 5) Traffic Management Scheme (++) 6) Demolition

statement (++) 7) No burning of any waste during demolition and construction phase 8) Phase II Soil Investigation (as recommended in the submitted Environmental Phase 1 Assessment report) (++) 9) Scheme for surface water drainage (++) 10) Reinstatement of redundant vehicle crossover (//) 11) Boundary treatment (//) 12) Parking areas provision (//) 13) Cycle parking provision (//) 14) Estate roads and Turning space for vehicles (//) 15) Lighting strategy (//) 16) Details of both hard and soft landscape works 17) Hedgehog access to gardens 18) Contamination, if identified during development 19) Vehicle wheel washing equipment 20) Hours of operation 21) All permitted development rights removed (extensions, windows & doors, gates, fences walls, structures, development in rear garden) 22) No contaminated material, and an informative that Applicant/land owner should use best endeavours to keep the existing access from the site to Waterworks Road in a reasonable/tidy order.

RESOLVED B: (Unanimous) That in the event that the S.106 is not signed by 4th April 2014 that delegated authority be given to the Chief Officer to refuse planning permission, or if discussions are ongoing, to agree a reasonable extension of time for the S.106 to be signed.

(++ Prior to commencement)

(// Prior to occupation)

58 6 Linkway. Application ID: 130753 (HHH)

130753 (HHH) - 6 Linkway - Part Two Storey and Part Single Storey Extensions at Front and Rear – **RATTON**. Three objections had been received.

The relevant planning history for this site was detailed within the report.

The observations of the Tree Advisor were summarised within the report.

Mrs Holder addressed the committee in objection stating that there would be a loss of light and overshadowing to her property.

Mr Jordan addressed the committee in objection stating that there would be a loss of light and overshadowing.

Mr Brogden addressed the committee in objection stating that there would be a loss of light.

RESOLVED: (Unanimous) That permission be granted subject to the following conditions: 1) Time Limit for Commencement of Development 2) Approved Drawings Planning Permission 3) Materials to match existing. **(ADDITIONAL CONDITION).**

59 18 Lottbridge Drive. Application ID: 130707 (ADV)

130707 (ADV) - 18 Lottbridge Drive – New internally illuminated fascia and pylon signs to Seat corporate image – **ST ANTHONYS**. Nine objections had been received.

The relevant planning history for the site was detailed within the report.

The observations of the County Archaeologist and Local Highway Manager were summarised within the report.

RESOLVED: (Unanimous) That permission be granted subject to the following conditions: 1-5) Standard advertising conditions 6) Limitation of hours of useage: 08:00 – 20:00 on any day 7) In accordance with plans

60 5 Wessex Place. Application ID: 130664 (PPP)

This item was withdrawn.

61 11 Park Close. Application ID: 130673 (HHH) and 130674 (CA Consent)

130673 (HHH) & 130674 (CA Consent) - 11 Park Close - Proposed two storey rear extension. Demolition of existing garage and erection of replacement garage (REF: 130673) Conservation Area Consent also applied for Demolition of existing garage and erection of replacement garage? (REF: 130674) – **UPPERTON.**

The relevant planning history for the site was detailed within the report.

The observations of the Conservation Officer were summarised within the report.

At their meeting on 8 October 2013, the Conservation Area Advisory Group raised Objections to the mass (height and bulk at first floor level) of the extension and the impact on the space between the pair (no.10).

RESOLVED: (Unanimous) That permission granted subject to the following conditions: 1) time for commencement, 2) that the external materials used in the construction of the rear extension match the existing property, 3) that the external materials used in the construction of the garage shall be in accordance with the approved drawings and application form, 4) works carried out in accordance with approved drawings, 5) new surface (driveway) shall match existing in material. Informative; gates identified on drawing 217400.05 Rev A do not form part of this consent.
2) REF130674 (Conservation Area Consent): That permission be granted.

62 Employment Land Local Plan. Report of Senior Head of Development.

The committee considered the report of the Senior Head of Development seeking Members' views on the Employment Land Local Plan before its consideration at Cabinet on 11 December 2013.

Members were advised that in May 2012, the Eastbourne Core Strategy Local Plan was subject to Public Examination by a Planning Inspector. The Inspector expressed concerns over the evidence that supported Core Strategy Policy D2: Economy, particularly relating to the employment land supply. In order to address this issue without delaying the adoption of the Core Strategy, the Inspector recommended that Core Strategy Policy D2: Economy be the subject of an early review, leading to its replacement with

an additional Local Plan to deal specifically with the employment land supply. This review would be subject to Public Examination and should be adopted by the end of 2014. The Core Strategy was subsequently adopted in February 2013.

In order to meet this requirement, an Employment Land Local Plan (ELLP) was being produced. The ELLP would guide job growth and economic development in Eastbourne up to 2027 as well as identifying an appropriate supply of land for future employment development, in order to achieve a sustainable economy and make Eastbourne a town where people want to live and work. It specifically related to land and buildings within the B1 (Offices and Light Industry), B2 (General Industry) and B8 (Storage and Distribution) Use Classes.

A Proposed Draft ELLP had been produced and this document would be the subject of public consultation as the next stage of progress towards adoption the Local Plan by the end of 2014.

The Cabinet report recommended that the Proposed Draft Employment Land Local Plan be published for consultation with the community and key stakeholders for a 12 week period between 20 December 2013 and 14 March 2014. Planning Committee Members were asked to consider the attached report and any comments would be considered and reported verbally to Cabinet when they meet on 11 December.

NOTED.

63 South Downs National Park Authority Planning Applications.

None reported.

The meeting closed at 7.28 pm

Councillor Ungar (Chairman)

Wednesday, 4 December
2013
at 6.00 pm



Audit and Governance Committee

Present:-

Members: Councillor Ungar (Chairman) Councillors Mattock, Belsey, Cooke, Harris, Heaps, Taylor and Tester.

16 Minutes of the meeting held on 25 September 2013.

The minutes of the meeting held on 25 September 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

17 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.

None were received.

18 Members and Standards - Update.

The Committee considered the report of the Monitoring Officer in relation to Member Standards. It was noted that no new formal complaints had been received during this quarter and none remained outstanding.

Dispensations had been granted to Liberal Democrat members on the Cabinet, which would enable them to participate in decisions on all matters relating to information technology provisions for members. The dispensations would remain in force until the end of May 2015.

With reference to member training it was reported that for the current year five sessions had been arranged for Planning Committee members and four for Licensing Committee members. A session on the relationship between the Code of Conduct and the protocol for member/officer relations had been provisionally set for 28 January 2014. The Committee discussed the variety of learning methods available and that providing for different learning styles with a variety of learning methods with a more structured approach reflecting members' roles and levels of experience would improve the learning experience. The Committee acknowledged the importance of attending training sessions arranged and supported by officers of the Council and that Members should be encouraged both to attend and adhere to the etiquette of submitting apologies if unable to do so.

RESOLVED: (1) That the information in relation to complaints against members and training be noted.

(2) That the Monitoring Officer be authorised to write to members with regard to future training and report back to a future meeting.

19 The Regulation of Investigatory Powers Act (RIPA) and related legislation - Update.

The Committee considered the report of the Monitoring Officer regarding an update on the Council's usage of its powers under the Regulation of Investigatory Powers Act (RIPA) and related legislation.

The Committee was advised that for the period September to December 2013 no applications were made under the regulations to conduct covert surveillance.

RESOLVED: That the report be noted.

20 Council Tax and Business Rates Collection and Enforcement Policy.

The Committee considered the report of the Revenues and Business Manager regarding a proposed policy for the collection and recovery of Council Tax and Business Rates.

The policy, which was attached at appendix A to the report, set the framework within which the Council, along with statutory provisions, will seek to collect the taxes and to recover any unpaid sums

The aims of the policy were set out in the report and included a number of measures to provide effective customer service whilst complying with the relevant legislation and taking into account guidance and best practice.

Consultation had taken place with a number of organisations as detailed in the report. The Citizens' Advice Bureau's protocol for the collection of council tax arrears had been taken into account, alongside government guidance on best practice when drafting the policy.

An equality and fairness analysis of the policy had been carried out and was attached as appendix B to the report. Being mindful of the impact of the current economic climate and the difficulties experienced by some people and businesses, customers are offered a variety of ways to pay and several instalment dates to accommodate individual circumstances. This included offering on request the option to pay over 12 monthly instalments instead of the statutory 10.

The Council can enter into special arrangements for those experiencing severe difficulties and provide details of agencies who can offer help and advice. In response to a query on benefits take-up, the Revenues and Benefits Manager advised of the current measures in place to promote benefit entitlement. It was noted that home owning pensioners were the least likely group to claim benefits. Benefit entitlement and welfare advice were promoted through a number of agencies including Age Concern, Citizens' Advice and the East Sussex Welfare Reform Group. The Supporting People Helpline was promoted at the Council offices in 1 Grove Road. Efforts to communicate the important messages of benefit entitlement and welfare support would continue through the work of the

Welfare and Benefits Officer and content review of documents around the process.

It was noted that the paragraph on business rates would be amended to reflect changes that Local Authorities can keep half of collected business rates providing a financial incentive to improve the local economy. The Committee recommended that the payment methods detailed within the policy should be listed in order of the Council's preferred method of payment.

RESOLVED: That subject to the amendments as set out above, the Council Tax and Business Rates Collection and Enforcement Policy be recommended to Cabinet for approval.

21 Annual Audit Letter 2012/13.

The Committee considered the report of BDO regarding the Annual Audit Letter which set out the key findings of audit work for 2012/13. The report summarised the results of the audit work in respect of the Council's financial statements, financial resilience and the arrangements for securing economy, efficiency and effectiveness in its use of resources.

As no representative from the auditors BDO was in attendance, the Chief Finance Officer gave a brief outline of the key findings.

With reference to the Statement of Accounts, a number of presentational misstatements had been identified and corrected during the audit and were not considered to have a material impact on the audit opinion. An unqualified audit opinion on the Council's financial statements had been issued on 27 September 2013.

It had been concluded that in all significant respects the Council has robust systems and processes to manage financial risks and opportunities effectively and to secure a stable financial position. The Council is prioritising its resources within tighter budgets by achieving cost reductions and by improving efficiency and productivity. As a result an unqualified value for money conclusion had been issued on 27 September 2013.

The audit had concluded that the Annual Governance Statement which set out the key elements of the systems and processes of the Council's governance arrangements was compliant with the required CIPFA Code of Delivering Good Governance.

The Chief Finance Officer referred to the fees update and the small adjustment made since the original fees proposed in the Audit Plan for 2013. Although final fees would be reported following the completion of grant claims and other returns the significant improvements in the accuracy of the accounts and internal audit controls and testing continued to have a positive impact on the level of audit fees.

RESOLVED: That the Annual Audit Letter for 2012/13 be noted.

22 Internal Audit Report to 30 September 2013.

The Committee considered the report of the Internal Audit Manager regarding a summary of the activities of Internal Audit for the second quarter of the financial year 2013/14.

Audit work carried out to date against the audit plan for 2013/14 was set out in appendix A.

A list of all final audit reports issued from 1 April to 30 September 2013 and the level of assurance attained were detailed in the report. Further information on reports issued with an assurance level below excellent was set out in Appendix B. The audit review of the in-house Catering function had been given an assurance level of performing inadequately. Recommended areas for improvement would be required to address the lack of written procedures, inadequate measures for recording stock and general financial and monitoring processes.

A brief explanation for a number of outstanding high and medium priority recommendations from audits, reasons why they had not been implemented along with the month when the next follow up date was due were set out in appendix C. The comments made by the Corporate Management Team following consideration of outstanding high risks were set out in appendix D. It was noted that the Council's work with consultants IESE to review procurement across the Council would inform the recommendations to address outstanding high risks in this area.

The Committee was advised that one fraud over 10K had been reported to the authority's external auditors in the second quarter of 2013/14. It was noted that the Council can claim subsidy of 40% on the overpayment amount. As an incentive to the Council to recover payments correctly, both the subsidy and any amount recovered can be kept.

RESOLVED: That the report be noted.

23 Treasury Management Mid-year Review.

The Committee considered the report of the Chief Finance Officer regarding a mid-year review of the Council's treasury management activity for 2013/14.

The report had been prepared in compliance with CIPFA's code of practice on treasury management and provided an economic update for the first six months of the year. The report reviewed the council's treasury management strategy statement and annual investment strategy, its capital expenditure, investment portfolio, borrowing strategy, debt rescheduling and compliance with treasury and prudential limits.

The Annual Investment Strategy set out the Council's policies for managing investments with the priority aims to obtain the optimum level of return on investments consistent with the proper levels of security of capital and liquidity. A breakdown of the Council's investment portfolio was appended to the report.

The strategy, which was incorporated within the Treasury Management Strategy Statement, had been approved by Cabinet on 13 February 2013. In the context of the considerable uncertainty and volatility in the financial and banking market the strategy was still considered fit for purpose in the current economic climate.

RESOLVED: That the report be noted.

The meeting closed at 7.20 pm

Councillor Ungar (Chairman)

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Monday, 9 December 2013
at 6.00 pm



Scrutiny

Membership:-

Councillor Warner (Chairman) Councillor Shuttleworth (Deputy-Chairman)
Councillors Cooke, Murray and Ungar

(Apologies for absence were reported from Councillor Belsey and Councillor Coles)

14 Minutes of the meeting held on 2 September 2013.

The minutes of the meeting held on 2 September 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

15 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.

Councillor Ungar declared a personal non prejudicial interest in item 10 Member Briefing 13 November 2013 – DGH, as a Member of HSOC. Councillor Ungar remained in the room and contributed to the discussion on this item.

Councillor Murray declared a prejudicial interest in item 10 Member Briefing 13 November 2013 – DGH, as his spouse works at the DGH. Councillor Murray took no part in the debate on this item.

16 Eastbourne Emergency Road Repairs - Presentation by East Sussex County Council

The committee received a brief verbal presentation from Karl Taylor providing members with an update on road repairs in East Sussex. County Councillor Maynard was also in attendance to answer members questions. Mr Taylor provided the committee with two reports:

1) Update on the effectiveness of the risk controls reducing the Council's exposure to risk from potholes

<http://www.eastsussex.gov.uk/PotholeRiskControls.pdf>

and

2) Future Levels of investment in Highway Maintenance.

<http://www.eastsussex.gov.uk/highwaymaintenance.pdf>

Mr Taylor advised the committee that the winter maintenance programme had started three weeks ago. There were over 65,000 potholes in the County with around 10,000 in Eastbourne – an unprecedented amount. Extra funding had been made available to fix potholes and the levels of investment required for Highways in East Sussex had been reassessed.

Members discussed the road gritting in Old Town and frequency of filling grit bins, pavement maintenance, the fixing of potholes and the requirements placed on the contractor to ensure repairs are viable and remaining in place for at least one year. The committee were advised that 96% of repairs were permanent; however there were a number of factors resulting in the remaining 4% being temporary. Failed repairs were filled at the contractor's expense.

Members were asked to contact their local stewards if they see areas of the highway that require attention. The committee were also requested to advise neighbourhood panels and residents to also contact their respective stewards. Issues can then be monitored and repaired at the control hub based in Ringmer.

The committee further discussed length of time for repairs and the use of the permitting scheme to ensure that utilities companies coordinate works, where possible, to minimise disruption to drivers

The two Eastbourne Highway Stewards were Jack Griffiths and Simon Coomber.

NOTED.

17 Council Tax and Business Rates Collection and Recovery Policy. Report of Revenues and Benefits Manager.

The committee considered the report of the Revenues and Benefits Manager seeking Members' views on the policy for the collection of Council Tax and Business Rates before its consideration by Cabinet on 11 December 2013.

Members were advised that in 2013/14 the total Council Tax due to be collected is c£52m on c47000 properties. Of the Council Tax collected, the Council retain 14%, with approximately 72% going to the County Council, 5% to the Fire Service and 9% to the Police.

There were certain discounts and exemptions available to people, for example people living on their own could get a 25% Single Person Discount and the Council operates a Local Council Tax Reduction scheme to help people on a low income to pay their Council Tax.

Business Rates (National Non-Domestic Rates) was a charge levied on commercial properties. There were certain discounts and exemptions available to businesses. In 2013/14 there was c£34m of Business Rates to collect on c2800 properties.

The policy (Appendix A appended to the report) was intended to set the framework within which, along with the statutory provisions, the Council would seek to collect the taxes and to recover any unpaid Council Tax and Business Rates.

In drafting the Policy account had been taken of the Citizens Advice Bureau's 'Collection of Council Tax Arrears Good Practice Protocol' and the

Department for Communities and Local Government's 'Guidance to local councils on good practice in the collection of Council Tax arrears'.

For example, the Revenues team were in the processes of signing up to the CAB protocol.

Consultation had taken place with the following organisations:

- Citizens Advice Bureau
- Disability Involvement Group
- East Sussex Credit Union
- Salvation Army
- Eastbourne Cultural Communities Network
- Crime Reduction Partnership
- East Sussex County Council
- Activating Eastbourne

There had been an increase in reminders of 10% this year, signs that the residents of Eastbourne are struggling to pay their Council Tax.

Members discussed the loss on non payment and who bore that loss, the wording of the reminders and whether this could be softened, the take up on the Summons Surgery – run by the Council to help people before Court proceeding. This is not a requirement for the Council however it has proved helpful for a number of residents.

The members further discussed the cost of recovery - £85. Members were advised that this figure was lower than neighbouring authorities and had not been increased since 2005/06. the figure represented the cost of the provision of the service as a whole with collection and arrears being of high cost to the Council resulting in the £85 figure.

NOTED.

18 Corporate Performance - Quarter 2 - 2013/14. Report of Deputy Chief Executive and Chief Finance Officer.

Members considered the report of the Deputy Chief Executive and Chief Finance Officer updating the Members on the Council's performance against Corporate Plan Priority actions, indicators and financial targets for 2013/2014.

The committee considered Appendix 1 containing information regarding quarter 1 activities and outturns of the performance indicators listed within the Corporate Plan which had been broken down into the 4 theme chapters. A summary table at the beginning of each chapter's data showed the number of indicators on and off target.

Each project had been allocated a number of in-year actions and milestones to be completed in order to progress the project efficiently. The specific milestones for Quarter 2 were set out in the actions report in Appendix 1 and details of the milestones for the whole year were available on Covalent and could be supplied on request. The first section of Appendix 1 lists all Corporate Plan priority actions whose in-year milestones had fully completed this year.

Members noted that of the 33 Key Performance Indicators reported in the Corporate Plan this quarter, 5 were currently showing as "Red," 17 were showing as "Green," 3 were showing as "Amber" and 8 were "data only" or contextual PIs. The off target PIs were;

- ECSP_004 Violent crime in a public place
- TL_014 Towner visitors
- CD_055 Number of completed adaptations
- CD_056 Average number of days for assistance with adaptations
- CS_011 Telephone call abandonment rate

The Senior Head of Infrastructure provided the committee with an update of the Waste Contract performance, following the briefing at the previous meeting. Members noted that the Council were exceeding the targets for recycling. Bin delivery and collection required additional work. The call abandonment rate and targets for answering calls was improving.

Members noted that the position to the end of September showed a variance of £78,000 on service expenditure which was a movement of £102,000 compared to the position reported at the end of the first quarter in June. Service expenditure had a variance of £182,000 mainly as a result of:

- Refuse Collection Contract savings (£80k)
- Housing Benefits Subsidy and overpayments recovery (£30k)
- Cremation income over target (£40k)
- Cremation gas savings from installation of new cremators (£53k)
- Grounds maintenance additional cost of contract dispute £105k
- Revenues and Benefits additional costs of £71k
- Council Tax summons income below target £37k
- Shortfall in Catering income of £100k
- Shortfall in income and additional costs at the Bandstand 28k

This service overspend was off set by the saving on the contingency fund.

The contingency allowance currently stood at £208,409 and had been used to offset service expenditure. Therefore there was no further funding available for any future unforeseen one off areas of expenditure during the year.

The projected outturn showed a negative variance of £58,000. This was within 0.34% of the net budget and was within an acceptable tolerance level. However management continued to manage this position to ensure that this final position was achieved.

Financial procedure rules require all virements requests over £10,000 for revenue expenditure to be approved by Cabinet. Virement requests are set out at Appendix 3. The General Fund item was required to formalise the budget transfer of a post between two services areas.

Transfer from reserves were also set out in Appendix 3. These transfers were in line with the approved financial strategy

HRA performance was currently above target due to an increase in service charge income less several areas of minor over spends which were being carefully monitored. The current spend on the under occupation scheme indicated a potential overspend for the year of £60,000 due to the increase in the number of property transfers taking place. It was proposed to offset this additional cost from the extra income received from service Changes.

A prudent increase in the provision for bad debts was included in the budget to offset any effect of the new benefits regime. Whilst rent collection performance for the quarter had remained at prior year levels, the introduction of universal credits and the benefits cap might impact on this position later in the year. This was carefully being monitored and any reduction in the provision would be reflected at quarter three.

The detailed capital programme was shown at Appendix 4. Actual expenditure was low compared to the budget, due to delays in the start dates of housing major projects, sheltered accommodation remodelling projects and several general fund projects. Expenditure was expected to increase as schemes progress however the spending patterns would be reviewed at quarter three and re-profiled into 2013/14 year where appropriate.

The capital programme had been amended from that approved by Cabinet in September to reflect new approved schemes.

The report further detailed activity in Collection Management, Treasury Management, Interest Rate forecast, the Council's Annual Investment Strategy and Investment Performance.

NOTED.

19 Member Briefing 13 November 2013 - DGH - Outcome and next steps.

The Head of Corporate Development summarised the current position of the notes of the briefing hosted by the Council - two Council officers were accountable for taking the notes. The combined content of these notes were used to form the official record which was approved by the chair of scrutiny and subsequently published without change. ESHT had stated that they disagreed with the notes and had produced their own version based on a taped recording they undertook at the meeting. They also maintained that EBC had failed in the previously agreed intent to produce a jointly agreed set of notes. The Head of Corporate Development responded to these points as follows:

1) The intent was always that the Council, as hosts, would administer the meeting and then would offer ESHT the opportunity to comment and/or suggest specific amendments. This had been done and ESHT were entitled to simply disagree, which would not invalidate the notes produced by the Council as being the official record.

2) At no point had ESHT sought to make anyone aware that they were recording the meeting or, as basic courtesy, sought the agreement of the Chairman. Had they done so, it would almost certainly have been agreed and could have been given to EBC officers to assist in preparing the record. At this point, ESHT had not offered to make the full recording available to the Council and had not produced a full transcript of any recording.

Members agreed the record taken by Council officers without amendment. The notes had been shared with both Leaders and the Chair and Deputy Chair of the Scrutiny committee. This had given limited time for ESHT to comment. Therefore the committee agreed to approve the notes subject to giving ESHT a further week to make any specific comments, the inclusion of which would be subject to liaison with the Chair and Deputy Chair and both Leaders. ESHT would be invited to comment and/or suggest amendments by no later than 16th December 2013. This was consistent with the process previously agreed.

The committee thanked Katie Armstrong and Simon Russell for their efforts in recording the meeting.

Members considered the various options available. The committee were in agreement that the current arrangement for maternity services to be based in Hastings, and the ESHT's statement that services would not be provided at both sites had somewhat predetermined their decision that services should be provided in Hastings alone.

The committee were keen to gather evidence to support the Council's opinion that maternity services should return to Eastbourne given that in the region of 250,000 people would be affected by the final decision. The committee were keen to have full input into the CCG consultation process due to start in early 2014 and agreed that further discussion with the Save the DGH campaign group and Liz Walke would be required to determine the way forward. The committee also agreed that it would be important to ensure that the County Council's Health and Overview and Scrutiny Committee be advised of the Council's intentions.

NOTED.

The meeting closed at 8.40 pm

Councillor Warner (Chairman)

Cabinet



Minutes of meeting held on Wednesday, 11 December 2013 at 6.00 pm

Present:-

Councillors **David Tutt** (Chairman and Leader of the Council), **Gill Mattock** (Deputy Chairman and Deputy Leader of the Council), **Margaret Bannister**, **Troy Tester** and **Steve Wallis**.

(An apology for absence was reported from Councillor Carolyn Heaps)

53 Minutes

The minutes of the meeting held on 23 October 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

54 Declarations of Interest by Members

No declarations were made.

55 Corporate Performance - Quarter 2 2013/14

55.1 Cabinet considered the report of the Deputy Chief Executive and Chief Finance Officer reviewing the council's performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme; and treasury management activities for the second quarter of 2013/14. Throughout the year, performance against these key indicators and milestones was reported to Cabinet on a quarterly basis and to Scrutiny Committee members each month.

55.2 Resolved (key decision) (1) That the performance against national and local performance indicators and actions from the 2010/15 corporate plan (2013 refresh) be agreed.

(2) That the general fund, housing revenue account and collection fund financial performance for the quarter ended September 2013, as set out in sections 3, 4 and 6 of the report be agreed.

(3) That the virements and transfer to and from reserves as set out in appendix 3 to the report be approved.

(4) That the amended capital programme as set out in appendix 4 to the report be approved.

(5) That the treasury management performance as set out in section 7 of the report be agreed.

56 Council Tax Base and Business Rate Income 2014/2015

56.1 Cabinet considered the report of the Chief Finance Officer. The Council was required to set its council tax base and the expected business rate income for the forthcoming year. These calculations were used as the basis for the amount of income the Council will precept from the collection fund.

56.2 The council tax base for Eastbourne was calculated by multiplying the 'relevant amount' by the 'collection rate'. The relevant amount was the estimated full year equivalent number of chargeable dwellings within the borough. This was expressed as the equivalent number of 'band D' dwellings with 2 or more liable adults. The relevant amount had decreased by 359 (1.1%) Band D equivalent dwellings from 2013/14. This reflected the higher take up of the council tax reduction scheme than the 2013/14 original model predicted pending the introduction of the scheme from 1 April 2013. This had been offset by a reduction in the number of single person discounts awarded. The effect of these changes had resulted in the reduction to the total number of chargeable dwellings by 382.

56.3 The collection rate was the Council's estimate of the proportion of the overall Council Tax collectable for 2014/2015 that would ultimately be collected. This was expressed as a percentage. Given the current level of Council Tax collection and the forecast of a small deficit balance on the collection fund it was considered prudent to maintain the current collection rate of 97.5%. Taking the relevant amount of 32,950.3 and applying the collection rate of 97.50% produced a council tax base for 2014/15 of **32,126.5**.

The Local Government Finance Act 2012 had introduced a new system for the local retention of business rates. This meant that the Council was required to formally approve the expected business rate income for the forthcoming year. The estimate for the 2014/15 financial year must be approved by 31 January 2014.

56.4 The report described how the net rate income for 2014/15 would be calculated. The actual 'NNDR1' form for 2014/15 had not yet been received but the provisional figures based on the 2013/14 form plus known changes had been calculated and indicated a net yield of £35,225,000. The allocation would be in the proportion of:

- 50% to central government
- 40% to the local billing authority (this council)
- 10% to the other precepting authorities (9% to the county and 1% to the fire authority)

56.5 As some local authorities collected more business rates than they currently received in formula grant (which was based on relative need and resources), whilst others were lower the government would rebalance to ensure that no local authority was worse off as a result of its business rates at the outset of the scheme though a system of tariffs and

top ups. Tariff and top ups would be self funding and fixed in real terms (i.e. only up rated by RPI in future years) ensuring that changes in retained income were driven by business rate growth. This authority had a business rate baseline higher than its baseline funding level and thus was due to make a tariff payment.

56.6 The final amount of retained business rates to be credited to the general fund is calculated as follows:

2014/15 Estimate	£'000
EBC Share of Business Rate Yield	14,094
Minus Tariff	(9,664)
Minus Levy	(612)
Minus Estimated Deficit on Collection Fund as at 31.3.14	(283)
Local Retained Business Rate Income 2014/15	3,535
2013/14 Amount	3,503

56.7 The figures required to set the business rate income were not yet available as the final NNDR1 form and guidance notes had not yet been received from central government.

56.8 As at 31 March 2013 the collection fund showed a surplus of £169,272. £158,910 was being distributed across all preceptors during 2013/14, leaving a balance of £10,362 to be distributed in 2014/15. The Council had to estimate the overall surplus/deficit at 31 March 2014 and inform the precepting authorities in January 2014 of this estimate in order that the amount was included in the 2014/15 precept figures.

56.9 Current monitoring figures indicated a deficit by 31 March 2014 of £40,000 for council tax, this would be revised in January and the results reported to members as part of the budget report to the February Cabinet.

56.10 For the first time this year, a calculation on the business rate income element of the Collection Fund had to be prepared in January. Current indications showed a deficit balance of £708,000 due to the number of successful appeals that had been settled in the year and the lower than anticipated growth in rateable values. The calculation would be revised for January and the results reported to members as part of the budget report to the February Cabinet.

56.11 Resolved (key decision): (1) That the provisional council tax base of 32,126.5 for 2014/15 be agreed.

(2) That the provisional retained business rates income of £35.225m for 2014/15 be agreed.

(3) That that the Chief Finance Officer, in consultation with the lead Cabinet member for finance, determine the final amounts for the council tax base and retained business rates income for 2014/15.

57 Corporate Plan - 2010-15 refresh including analysis of community evidence and proposals for the 2015-20 plan]

57.1 Cabinet considered the report of the Head of Corporate Development presenting a summary picture of ongoing community evidence and a timeline for the final year refresh of the 2010-15 corporate plan and setting out the intended high level proposals for the production of the next corporate plan.

57.2 The proposed high level timetable for refreshing the corporate plan for 2014/15 was as follows:

- During January - Senior heads of service in liaison with Cabinet portfolio holders to agree priority projects
- End of January - Leadership Team to agree draft priorities
- 11 February – Presentation of emerging year 5 plan content to Scrutiny committee seminar
- February/March - Finalising of refreshed corporate plan chapters for 2014/15
- 19 March - Cabinet to receive and approve refreshed corporate plan for recommendation onto Council
- 7 May - Council final ratification of 2014/15 refreshed corporate plan

57.3 Over the last five years, the Council had consulted widely both at a high strategic level and at a more operational level in order to build a picture of the needs of the town as a whole and of specific communities. Over this period, over 900 members of the Eastbourne resident and business communities had participated in various consultation activities and provided information on what should be prioritised for the future benefit of the town. The Council's appreciation for the time and effort given by participants was noted.

57.4 The cumulative consultation and feedback over the last five years ensured that the Council could point to a robust and ongoing bank of community evidence as a guide to setting its priorities. Taken alongside local, regional and national data, government led initiatives and legislative changes, and the insight of local elected members, this provided a sound basis for the setting of high level goals backed up by priority projects for the future.

57.5 Resolved (key decision) (1) That corporate priority theme lead Cabinet members and lead officers take into account the community evidence and trend analysis, summarised in the appendices, and in particular the key headlines set out in appendix 5 to the report, when formulating proposed priority projects and activity for inclusion in the 2014/15 edition of the plan.

(2) That the timetable and activity involved in producing the 2014/15 edition of the current corporate plan, as set out in paragraph 4 of the report, be approved.

(3) That the proposed actions and timelines relating to the review of the overall lifespan of the 2010-15 corporate plan and the production of the new 2015-20 corporate plan, as set in paragraph 5 of this report, be endorsed.

58 Draft Budget Proposals 2014/15

58.1 Cabinet considered the report of the Chief Finance Officer. Each year the Council consulted a range of stakeholders on its detailed draft budget proposals for the following financial year. This followed consultation on the corporate plan (see minute 57 above) and medium term financial strategy (MTFS), which had been carried out over the summer and autumn. Cabinet was asked to give initial responses to the consultations at this meeting and finally on 5 February 2014 in order to recommend a final budget and additions to the existing capital programme for 2014/15 to the Council on 19 February 2014.

58.2 The process of service and financial planning was an integral part of the corporate planning cycle that looked over a medium term horizon. The corporate change programmes under the Council's DRIVE programme picked up the challenge of the MTFS.

58.3 The MTFS agreed in July 2013 modelled the overall reduction in government support by 40% in cash terms over the whole comprehensive spending review (CSR) period (2013/17) which equated to around 50% in real terms at past and projected levels of inflation. At the time of writing the report, the Chancellor's autumn statement and the results of the CSR for 2013 were not known, however in June 2013, the Chancellor had made announcements that indicated further reductions in government support of between 10 and 20 percent (on top of the 28.4% covering the period 2011-2014).

58.4 In addition to changes in the amount of funding for local government, there were two significant changes that came into force in 2013/14 that gave a greater volatility to local government finance over the medium term. These changes were the retention of a proportion business rates and the localisation of council tax support.

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

- Deal with the anticipated reduction in the government support of around 50% from the 2010/11 level.
- Integrate fully the service and financial planning process with the main change programmes under DRIVE
- Work with clearly defined medium term efficiency targets to the corporate transformation programmes and allow services to put forward savings proposals in addition.

- Deal with the continued economic downturn and unavoidable growth in service demands
- Maintain front line services to the public
- Make further recurring savings of £2.1m per annum by 2016/17 (in addition to the £3.5m achieved in setting the 2011-2014 budgets)
- Maintain at least a minimum level of reserves of £2m
- Use surplus reserves in the medium term for:
 - Invest to save projects
 - Smooth the requirement for savings over the cycle of the MTFS
 - Invest in one off service developments in line with the corporate plan
- Benchmark fees and charges against the service standard
- Reinvest in value adding priority services when headroom is created
- Set council tax rises at or below the level of inflation
- Maintain a strategic change fund to finance the DRIVE programme in order to increase efficiency
- Maintain an economic regeneration reserve to finance external interventions that promote economic activity
- Finance capital expenditure from identified resources
- Use borrowing only on a business case basis
- Continue the process of priority based budgeting to target investment and differential levels of savings targets at services according to priority
- Zero base volatile grant budgets
- Look for new income streams to supplement diminishing resources

58.6 The final settlement in respect of revenue support grant (RSG) and retained business rates for 2014/15 were not yet known, together with numerous other grant announcements not yet made. The following assumptions were made in the draft budget:-

Year	2013/14	2014/15
	£m actual	£m
RSG	(3.4)	(3.3)
Retained business rates	(3.5)	(3.5)
Council tax freeze grant	(0.1)	(0.1)
New homes Bonus	(0.5)	(0.6)
Council tax Benefit grant	(1.2)	(1.2)
Council tax	(7.3)	(7.2)

58.7 The service and financial planning process started in July and had culminated in the four service areas presenting their plans to the Cabinet and shadow cabinet in November. In response the challenge set out in the MTFS, the service and financial planning process has identified

proposed savings of £0.846m (5% of net spend) shown in appendix 1 to the report. These were categorised as:

	<u>£m</u>
Efficiency savings	(0.607)
Increases in income	(0.209)
Other changes	<u>(0.030)</u>
Total	<u>(0.846)</u>

A total of £0.851m of service growth was proposed categorised as follows (appendix 2):

	<u>£m</u>
Corporate inflation	0.430
Reduced income targets	0.059
Other growth	<u>0.362</u>
Total	<u>0.851</u>

The proposals also included £447,000 of non-recurring service investment to be financed directly from reserves (shown in appendix 2 to the report).

58.8 The draft budget assumed no rise in council tax for 2014/15 as the Council might take advantage a special grant available for Councils not increasing council tax (assumed to be 1% or £70,000). However the scheme for 2014/15 had not yet been set out. The MTFs allowed for a tax rise at the target rate of inflation (2%) There therefore remained a choice depending on the announcement of the tax freeze scheme. A referendum would be required if any proposed tax rise were 2% or greater.

58.9 The Council had been successful in attracting over £2.6m of additional grant for the retention of weekly waste collection and enhanced recycling (for 5 years) payable over 3 years. The final instalment of £1.3m would be paid in 2014/15. It was intended that contributions to reserves of this amount would be made in order to replenish the strategic change fund and general reserves.

58.10 The following summarised the effect of the proposed changes:-

	<u>Proposal</u> <u>£m</u>
Base budget 2013/14	15.658
Growth (outlined in para. 4.3 of report)	0.851
Savings (outlined in para. 4.2 of report)	(0.846)
Savings to be identified	<u>(0.104)</u>
Net budget:	<u>15.559</u>
Funded By:	

Government grants/Retained rates	(8.357)
Council tax (band D £224.19)	<u>(7.202)</u>
Total resources:	<u>(15.559)</u>

Forecast general reserve as at 31 March 2014: £4m

It was recommended that should the resources allocated by way of retained business rates and RSG differ from the assumptions, the suggested strategy would be to make the additional resources available to the capital programme. Should the resources be less than the assumptions then they should first reduce the addition to the capital programme resources, then reduce the contingency by up to £100,000 and beyond that, a further review of the service and financial plans would be required to identify additional savings/reduced growth. As a last resort the MTFS allowed for reserves to be used in the short term until further corrections could be made.

58.11 Risks and action to mitigate them were given in paragraph 5.4 of the report. These included the possibility of further reductions in government grant and the impact of inflation.

58.12 The Council currently financed its capital programme from capital receipts and grants and contributions. There was currently £0.5m of internal identifiable capital resources available for the next 3 years. It was intended that any headroom created by the 2014/15 revenue budget would be reinvested in the capital programme. An example of this was the "Solarbourne" project which was now contributing approximately £75,000 per annum to the net budget after repaying the cost of capital. Additional individual schemes to be added to the capital programme linked to priorities would be developed as part of the development of the corporate plan in January and contained in the final budget and capital programme proposals to be agreed by the full Council in February. It was also noted that unlike the council tax, the capital programme could be varied at any time and that there were duties under certain schemes to consult with those affected before schemes were commenced. As well as schemes financed from internal resources, the corporate plan would include schemes financed from external resources.

58.13 Resolved (key decision): (1) That the draft budget proposals be agreed for the purposes of consultation.

(2) That the approach to dealing with changes in the expected resources available for the 2014/15 budget as detailed in para. 5.3 of the report, including the closing of a currently forecast gap of £104,000 between the recurring resources and recurring proposed budget, be agreed.

(3) That as details of the government's proposed tax freeze grant for 2014/15 were not yet available, it be agreed that the maximum potential council tax rise would be less than 2%.

(4) That the main risks to the draft budget, as set out in para. 5.4 of the report, be agreed.

59 Strategic Asset Management

59.1 Cabinet considered the report of the lead member for Corporate Development and Infrastructure which set out a series of recommendations in relation to the accompanying report of the Senior Head of Development. The Council's commitment to strategic asset management and the corporate plan objective of a sustainable asset base was supported by previous Cabinet recommendations in October 2011 and October 2012.

59.2 In May 2013, Cabinet authorised an asset challenge programme to assist in achieving the sustainable asset base. Specifically, Cabinet authorised two scoping exercises to establish (a) the viability and programme for transfer of assets to trust and (b) the savings and improvements to quality of service by transferring the retained asset base into a Corporate Landlord model. The asset transfer and the corporate landlord reviews had been undertaken by Locality and the Chartered Institute of Public Finance and Accountancy (CIPFA) respectively. Additional input was provided by iESE (Improvement and Efficiency Social Enterprise) and the estates team.

59.3 The key findings of the Locality report concerning asset transfer were summarised as follows:-

1. The Council owned significant sites with considerable potential as well as numerous smaller holdings which could deliver increased revenue or capital returns if managed strategically.
2. When decisions were taken to retain operational assets (that might be subject to substantial investment), the business cases should be independently 'stress tested' to fully understand the level of long term subsidy and its impact on the Council's future revenue budget and its ability to achieve a sustainable asset base.
3. The Council was not in a position to create a council wide trust or multiple trusts (e.g. community or leisure trusts) before detailed progress was made to restructure, improve efficiency and effectiveness and become more skilled at entrepreneurialism.
4. There were potential efficiencies and savings through moving corporate property to an independent trust; either as a management agent or with an asset portfolio. However the Council was not yet in a position to undertake this without going through a process of strategic planning and internal restructuring.

The key recommendations were as follows:-

1. Every asset, operational or non operational should generate a surplus (or be cost neutral at worst) or capital receipt within agreed timescales with the possible exception of core service support/administration facilities (such as 1 Grove Road).
2. Strategic assets must generate significant capital and/or revenue returns for the Council to reinvest in the retained

operational portfolio to assist with achieving the best possible sustainable asset base.

3. When assessing operational assets the Council should be aware and take account of the combined social, cultural, environmental and financial objectives; the Council needed to be clear on the relative weight attributed to these objectives and the potential long term subsidy required to support operational assets.

59.4 The key findings from the CIPFA report supported the implementation of a full Corporate Landlord model. The key recommendations were as follows:-

1. The Council should move towards a full corporate landlord approach in respect of the key components (strategic asset management, statutory compliance, facilities management, repairs and maintenance, estates management and project management/delivery).
2. In the medium to long term, with the exception of strategic asset management, the key components could be contracted out, with contract management retained in house. Alternative options might be viable in respect of some of the components, dependent on the Council's policy approach. Further detailed analysis was required of the key components to establish the optimum route to delivery, combined with policy direction

59.5 As part of the due diligence process, iESE were instructed to undertake a review of both the Locality and CIPFA reports. A summary of their review identified the following:-

- Further policy direction and weighting was required into strategic objectives for asset management such as whether to maximise revenues, achieve capital receipts, reducing revenue costs and improving customer experience etc.
- Moving to a corporate landlord model was supported; it was recommended that the Council consider a "commissioning model" approach particularly with regard to delivery of facilities management, repairs and maintenance and property management services.
- The key principle that "every asset, operational or non operational should generate a surplus or capital receipt within agreed timescales" required policy direction and needed to incorporate a wider, more balanced approach including strategic drivers, the "custodian role" of the Council, service objectives etc.
- The implementation plan for a corporate landlord needed to be linked to the 'end state' target operating model, with opportunities, risks, constraints, communications, resource capability and policy direction aligned with this objective.
- There were short to medium term opportunities to create efficiencies in facilities management by consolidating on the current large number of suppliers. In the medium to long term even greater opportunities existed in both 'hard' and 'soft'

facilities management through a combined Eastbourne Borough Council and Eastbourne Homes procurement.

59.6 The findings of a 'headline' review of each and every non operational asset undertaken by the estates team were as follows:-

1. A significant proportion of non operational assets achieved a yield below 5% (5% being equivalent to the approximate cost of capital to EBC).
2. That the preparation of a strategic programme of disposals of non operational assets could lead to significant capital receipts to assist in the funding of the backlog of repairs to core operational assets and support the MTFS.
3. Alternatively, these capital receipts could be reinvested, to achieve a minimum target yield of say 5%, realising additional net income.

It was suggested that the preparation of a disposal programme was aligned to the MTFS to allow funds to be released as necessary to meet the priorities of the Council. This was envisaged to be from 2015/16.

59.8 The implementation of a corporate landlord model would involve substantial cultural change and additional resources. Alignment with Future Model phase 2, potential synergies with Eastbourne Homes and the potential for shared services with partnership authorities would need to be explored to ensure maximum efficiencies could be obtained. The restructure of the estates team would need to be in place from April 2015. It was proposed that a detailed implementation plan including performance targets, governance and policy direction would be submitted to a future meeting of the Cabinet.

59.9 From the original £90,000 authorised to be released from the strategic change fund for the asset challenge programme, approximately £45,000 remained. It was proposed that the remaining funds be utilised to assist with the transition programme to a full corporate landlord model. Further resources would be required and it was intended this be met from the savings and income growth generated from the programme.

59.10 Resolved (key decision): (1) That the contents of the report of the Senior Head of Development and the report of Locality be noted.

(2) That the recommendations in relation to the corporate landlord model laid out in the report of the Senior Head of Development be approved as follows:

- (i) Agree to implement measures necessary to progress towards a sustainable asset base: and
- (ii) authorise the implementation of a full corporate landlord model by April 2015, using the remaining £45,000 of the original budget for assistance with the implementation plan.

(3) Agree to the general principle of the recommendations made by Locality and accept the strong financial business case that sits behind these recommendations but also accept that Eastbourne Borough Council has ambitions and concerns which are not entirely financial and so there will be a need to temper these principles in some cases. To this end, Cabinet accepts that:

(a) There is a need to consider the value of the contribution of all assets on a case by case basis. The total value of an asset is the financial, social, community, environmental, cultural, health, and economic development value of the asset to the local community and the council.

(b) Where a decision is taken to not achieve best financial value for the council in relation to any asset, it must be clear what other value is being placed upon that asset.

(c) There is a limit as to how many times and to what extent the council will be able to make non financial led decisions if it is to achieve the stated ambition of a sustainable asset base.

(4) That the Chief Finance Officer, in consultation with the Strategic Property Board, be delegated with the task of exploring means to make the process in resolution 3(b) above transparent within the Council's financial reporting arrangements.

60 Employment Land Local Plan

60.1 Cabinet considered the report of the Senior Head of Development. In May 2012, the Eastbourne core strategy local plan had been subject to public examination by a planning inspector. The inspector had expressed concerns over the evidence that supported core strategy policy D2: economy, particularly relating to the employment land supply. In order to address this issue without delaying the adoption of the core strategy, the Inspector recommended that this particular policy be the subject of an early review, leading to its replacement with an additional local plan to deal specifically with the employment land supply. This review would be subject to public examination and should be adopted by the end of 2014. The core strategy was subsequently adopted in February 2013.

60.2 In order to meet this requirement, an employment land local plan (ELLP) had been prepared for consultation. The plan would guide job growth and economic development to 2027 as well as identifying an appropriate supply of land for future employment development.

60.3 There was a requirement to provide 43,000 sq.m. of class B floor-space over the plan period. This amount was based on forecasting projections that assumed growth in key sectors in Eastbourne and increased participation rates as economic activity and working age population grew. It was considered important that more jobs were created in more diverse areas to reduce reliance on tourism, and that space be provided for start-up businesses to encourage indigenous business growth. The report commented that much of existing commercial space in the town did not meet occupier standards, which meant that employment land was being lost to other uses. The plan

aimed to encourage the supply of high quality space that met business needs and ensured key sites in employment locations were protected.

60.4 Resolved (key decision): (1) That the proposed draft employment land local plan be approved for the purposes of consultation with the community and key stakeholders between December 2013 and March 2014.

(2) That the Senior Head of Development, in consultation with the lead Cabinet member, be given delegated authority to make minor amendments to the draft plan before the commencement of the 12 week consultation period.

61 Council Tax and Business Rates Collection and Enforcement Policy

61.1 Cabinet considered the report of the Revenues and Benefits Manager presenting a policy for the collection of council tax and business rates. A copy of the proposed policy and equality analysis were appended to the report. In drafting the policy account had been taken of the Citizens Advice Bureau's 'Collection of Council Tax Arrears Good Practice Protocol' and the Department for Communities and Local Government's 'Guidance to local councils on good practice in the collection of Council Tax arrears'.

61.2 The aims of the policy were:

- To bill customers accurately and in a timely manner.
- To help customers get the discounts and exemptions they are entitled to.
- To comply with relevant legislation.
- To take into account guidance and best practice.
- To collect taxes due in a fair and efficient manner.
- To provide payment methods that are convenient to the taxpayer.
- To discharge the Council's duty in relation to the recovery of council tax and business rates.
- To take recovery action taking into account individual's circumstances as far as practicable.
- To make use of distress or committal only as a last resort.
- To treat individuals consistently and fairly, regardless of age, sex, gender, disability, race and sexual orientation.
- To protect individuals rights under data protection and human rights legislation.

61.3 Consultation had taken place with Citizens Advice Bureau, Eastbourne Disability Involvement Group, East Sussex Credit Union, Salvation Army, Eastbourne Cultural Communities Network, Crime Reduction Partnership, East Sussex County Council and Activating Eastbourne.

61.4 Resolved (key decision): That the policy is adopted.

62 Equal Pay Audit

62.1 Cabinet considered the report of the Head of Corporate Development giving an update on the actions taken following the equal pay audit conducted in 2011 and further actions scheduled for the next 12 to 18 months.

62.2 Following the introduction of a revised pay and grading structure for the Council in 2008, a commitment had been made to test the model via an equal pay audit once the full suite of pay and reward processes had embedded. The audit took place between April and July 2011 and the findings were reported to Cabinet in December 2011. The Cabinet were told of the key findings and further work that was required to ensure the Council continued to improve equality in pay. Most importantly, the audit found no evidence that the gender pay gap was attributable to direct or indirect unfair discrimination in the Council's processes or decision making.

62.3 Work on implementing the recommendations of the audit was deferred until the outcome of phase one of Future Model had bedded in. In the Spring of 2013, a working group officers from across a range of services and a representative of the Unison branch had been established. The group had met several times to consider the recommendations and actions arising from the audit. The group determined that the gender pay gap remained similar to the original audit at about 15% and when the chief officer roles were excluded this reduced to 5.28%. Although these figures could only be regarded as indicative, they demonstrated that the same issues remained in relation to the pay gap.

62.4 The group had agreed an action plan (circulated separately in the confidential part of the agenda as it comprised exempt information - *Exempt information reasons 1 and 2 - information relating to an individual or likely to reveal the identity of an individual*) which identified actions already undertaken, as well as areas for further development and action. The group would continue to meet to further develop the Council's approach to ensuring equality of pay and address the key issue of how the Council would reduce or eliminate the gender pay gap. Key work streams would continue to be:

- Raising awareness of gender pay gap/imbalance at the top in future recruitment
- Ensuring challenge for corporate change proposals which may compound pay gap, especially with part-timers
- Reviewing support and development for females over age 40 who are part timers and/or post-maternity leave
- Identifying options for making the workforce more representative of the local community in terms of ethnic make up and disability.

62.5 Resolved: (1) That the actions taken to date and the work undertaken by the Equal Pay Working Party be noted.

(2) That the action plan for the next 12 to 18 months be agreed.

(3) That a further equal pay audit in be undertaken in 2015/16 following the completion of Phase 2 of Future Model.

63 Exclusion of the Public

Resolved: That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraphs of schedule 12A and descriptions of the exempt information are shown in minute 62 above and in the items below. (*The requisite notices had been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.*).

64 Summary of confidential proceedings for information.

The full minutes of the under-mentioned items are set out in the confidential section of these minutes. The reports remain confidential.

(a) Alternative Employment Procedure

64.1 Cabinet noted that 2 employees were subject to the procedure at present. They noted the actions taken to manage implications of change for displaced individuals.

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

(b) Devonshire Park project – legal update

64.2 Cabinet considered legal advice in relation to the Council's proposed financial support to the Devonshire Park project and agreed European Commission notification was not required in relation to the current proposals.

Exempt information reasons 3 and 5 - information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The meeting closed at 6.22 pm

**Councillor David Tutt
Chairman**

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Tuesday, 7 January 2014
at 6.00 pm



Conservation Area Advisory Group

PRESENT:-

Councillor Shuttleworth (Chairman) and Councillors Belsey and Warner

Officers:

Ms C Dales, Specialist Advisor (Conservation and Design)
Ms J Sabin, Customer Caseworker

ADVISORS:

Mr Crook, Royal Institute of British Architects
Mr Howell, Eastbourne Society

(An apology for absence was reported from Councillor Thompson)

36 Minutes of the meeting held on 19 November 2013.

The minutes of the meeting held on 19 November 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

37 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.

Councillor Belsey declared a personal interest in item 5 – Bolton Road Practice and remained in the room but did not take part in the discussion.

Mr Crook declared an interest in item 6 – Langney Priory and remained in the room but did not take part in the discussion.

38 Planning Applications - Decisions of the Borough Council.

The decisions of the Planning Committee on applications in Conservation Areas were reported.

NOTED.

39 Planning Applications for Consideration.

The Specialist Advisor (Conservation and Design) reported on planning applications for consideration in Conservation Areas. The Group's comments were set out in the schedule below.

1) 130957 (Full Plans) CAVENDISH HOTEL, 37-40 GRAND PARADE

Cons Area: Town Centre and Seafront

Proposal: Addition of fifth floor to hotel with the erection of a flat roof extension to east wing, and the addition of dormer windows and roof lights to front elevation, west wing and mansard roof and dormer to rear elevation. (Renewal of permission EB/2010/0706).

CAAG Comments: The Group did not raise any objections in light of the previous appeal decision on this renewal.

2) 130968 (Full Plans) 16 LUSHINGTON ROAD

Cons Area: Town Centre and Seafront

Proposal: Formation of vehicle parking to rear and new access door to front, in connection with EB-2010-0060(FP).

CAAG Comments: The Group raised no objections, subject to details of the construction of the door being agreed with the applicant.

3) 130976 (Advertisement) EASTBOURNE COLLEGE (MAIN SITE, PLAYING FIELD AND BIRLEY CENTRE

Cons Area: College

Proposal: Display of freestanding totem signs, post and panel signs and digital displays.

CAAG Comments: The Group raised no objections to the proposed signage at the Birley Centre. The Group however raised strong objections to the scale, design, materials and method of lighting for the other signs. The Group was also concerned regarding the lack of detail in terms of the precise siting of the signs and lack of scaled elevation plans showing the signage in context.

4) 130986 (Listed building consent) ALL SAINTS CHAPEL, 22 DARLEY ROAD

Cons Area: Meads

Proposal: Internal alterations to chapel foyer.

CAAG Comments: No objections raised.

5) 131022 (Full plans) BOLTON ROAD PRACTICE, 10 BOLTON ROAD

Cons Area: Town Centre and Seafront

Proposal: Replacement windows from timber to uPVC - matching in all respects the existing windows.

CAAG Comments: The Group raised objections to the proposed uPVC windows on such a high quality building, situated in a very prominent position in the conservation area. It was recommended that slimlite double glazing be used within the existing sashes together with the overhauling of the windows.

(NB: Councillor Belsey declared a personal interest in this item and remained in the room but did not take part in the discussion.

6) 131046 & 7 (Full plans & Listed building consent) LANGNEY PRIORY, ETCHINGHAM ROAD

Cons Area: N/A

Proposal: Rebuilding of chimney A, installation of "tie" with "S" plate at chimney B to outside wall, stitching of external wall either side of chimney C, stitching of external wall at 45 degree buttresses, re-construction of chimney E following previous capping off at roof line, render repairs and stitching at Garderobe, re-roofing and lead guttering with insulation being installed.

CAAG Comments: The Group raised no objections and welcomed the proposal to safeguard the listed building.

(NB: Mr Crook declared an interest in this item and remained in the room but did not take part in the discussion.)

By virtue of Section 100B(4) of the Local Government Act 1972, the Chairman was of the opinion that the following recently received applications, which were not listed on the agenda, should be considered in order that the applications be referred to the Planning Committee at the earliest opportunity).

7) 130907 (FP) BEDFORDWELL ROAD DEPOT, BEDFORDWELL ROAD

Cons Area: Not applicable

Proposal: Residential development of 102 dwellings (flats and houses), including the conversion of the existing Pump House into flats, together with access roads and parking spaces.

CAAG Comments: The Group supported the proposed retention and reuse of the important building (the Pump House). They did however support concerns raised by the Specialist Advisor (Conservation and Design) about the impact the proposal would have on the exterior of the building, due to a lack of detail on the plans. This included the windows, roof lights, rainwater goods and waste pipes/ventilation flues.

8) 140003 (FP) & 140004 (LBC) 10, 12, 14 & 16 CAVENDISH PLACE

Cons Area: Town Centre and Seafront

Proposal: Reinstatement of canopies at first floor level to front elevation of each building.

CAAG Comments: The Group welcomed the proposed reinstatement of canopies however would prefer the applicant to reinstate the original zinc material to ensure that the correct detailing be reproduced. This would also be a more economical option as the canopy would last much longer than the proposed fibreglass.

NOTED.

40 New Listings

The Specialist Advisor (Conservation and Design) advised that there were no new listings.

NOTED.

41 Dates of future meetings - All at 6.00 p.m. at the Town Hall

The date of the next meeting was confirmed as the 18 February 2014 (at 6.00pm at the Town Hall).

The meeting closed at 7.25 pm

**Councillor Shuttleworth
(Chairman)**

Tuesday, 7 January 2014
at 6.00 pm



Planning Committee

Present:-

Members: Councillors Coles (as substitute for Ungar), Hearn, Jenkins, Liddiard, Miah, Murray and Taylor

(Apologies for absence were reported from Councillor Harris and Councillor Ungar)

64 Election of a Chairman.

In the absence of Councillor Ungar (Chairman) and Councillor Harris (Deputy Chairman) the committee were requested to nominate and elect a chairman for the purposes of this meeting alone. Councillor Hearn proposed Councillor Murray, this was seconded by Councillor Coles.

RESOLVED: (Unanimous) That for the purposes of the meeting of 7 January 2014, Councillor Murray be elected as Chairman.

65 Minutes of the meeting held on 26 November 2013.

The minutes of the meeting held on 26 November 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

66 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct (please see note at end of agenda).

Councillor Liddiard declared an interest in item 70 Gordon's Lodge, St Annes Road as an acquaintance of the employees of the applicant. However Councillor Liddiard did not feel this would be prejudicial and therefore remained in the room and voted thereon.

67 3 Park Close. Application ID: 130870 (HHH) / 130871 (CAC)

130870 (HHH) / 130871 (CAC) - 3 Park Close - Single storey rear / side extension to form enlarged kitchen – **UPPERTON.**

The relevant planning history for the site was detailed within the report.

The observations of the Specialist Advisor Conservation were summarised within the report.

The Conservation Area Advisory Group at its meeting on 19 November 2013 raised no objections in principal to the current reduced scheme, subject to

the pitch of the two rear gables being reduced in height and amended to a steeper angle.

NB: Councillor Taylor was no longer present for this item.

RESOLVED: (Unanimous) That permission for 130870 & 130871(CA) be granted subject to the following conditions: 1) time – Commencement 3 years 2) Materials to match – CA3) In accordance with approved plans

- Includes cast rainwater goods
- Rainwater good accessible for future maintenance
- Timber stained windows and doors to match existing

4) The leaded light windows hereby approved are to be timber framed and stained to match the colour of existing windows with comes (leaded dividers) on the exterior window surface. Any double glazed units should have comes (leaded dividers) in the exterior pane and not encapsulated.

68 15 Hartfield Road. Application ID: 130786 (PPP)

130786 (PPP) 15 Hartfield Road - Erection of 1 No. 3 bed detached chalet bungalow – **UPPERTON**. Two letters of objection had been received.

The relevant planning history for the site was detailed within the report.

The observations of the Specialist Advisor – Conservation and Design and County Archaeologist were summarised within the report.

Mr Peacock, neighbour, addressed the committee in objection stating that the design was out of keeping with the surrounding area, the building line for the proposed development was too far forward, there would be a loss of privacy and an increase on parking demands in the area.

County Councillor Rodohan addressed the committee in objection stating that the design was inappropriate and out of keeping with the surrounding area. The scheme would also have a detrimental impact on the open 'feel' of the area.

RESOLVED: (Unanimous) That permission be refused on the grounds that 1) The proposed development would significantly reduce the established openness between the existing residential properties to the detriment of the distinct character, appearance and historic significance of the Upperton Conservation Area and Area of High Townscape Value contrary to Saved Policies UHT1, UHT4, UHT5, UHT15 and UHT16 of the Eastbourne Borough Plan 2007, policies D10 and D10A of the Core Strategy 2013 and sections 7 and 12 of the National Planning Policy Framework 2012. 2) The proposed development represents an inappropriate and incongruous form of backland development that, by reason of the design would be inharmonious with the surrounding residential properties and would therefore fail to preserve or enhance the character and appearance of the Upperton Conservation Area contrary to saved policy UHT15 of the Eastbourne Borough Plan 2007, Policy D10 of the Core Strategy 2013, and sections 6, 7 and 12 of the National Planning Policy Framework 2012. 3) The confines of the site would result in a development with substandard levels of amenity specifically

resulting from overlooking from neighbouring properties detrimental to the amenity of future occupiers of the proposed property when compared with surrounding properties contrary to saved policy HO20 of the Eastbourne Borough Plan 2007 and Policy B2 of the Core Strategy 2013. 4) No financial contribution in relation to the Councils Affordable Housing Policy has been received, and the proposal therefore conflicts with policy D5 of the Core Strategy Local Plan 2013.

Appeal: Should the applicant appeal the decision the appropriate course of action, taking into account the criteria set by the Planning Inspectorate, is considered to be written representations.

69 54 Upper Kings Drive. Application ID: 130856 (HHH)

130856 (HHH) - Tiree, 54 Upper Kings Drive - Proposed single storey rear extension and two storey side extension to include demolition of existing garage and utility room – **RATTON**. 11 Letters of objection had been received.

The relevant planning history for the site was detailed within the report.

The observations of Planning Policy were summarised in the report.

NB: Councillor Taylor was no longer present for this item.

Mr Rackliff, neighbour, addressed the committee in objection stating that the proposal caused concern regarding the party wall and its future maintenance and concerns over loss of privacy and light.

Mr Clapperton, applicant, responded stating that he wished to modernise the property and was confident that his builder would carry out any works responsibly.

RESOLVED: (By 5 votes to 1) That permission be granted subject to the following conditions: 1) Time limit 2) In accordance with drawings and an Informative relating to the Party Wall Act.

70 Gordon Lodge - St Annes Road. Application ID: 130329

130329 - 25 St Anne's Road - Construction of a three storey extension at rear and conversion of the existing building to provide 11 no. residential flats together with landscaping, waste and cycle storage, including the removal of the existing rear external escape gantry and single storey lower ground side addition – **UPPERTON**. Four letters of objection had been received.

The relevant planning history for the site was detailed within the report.

The observations of the Conservation Officer and Borough Arboriculturalist were summarised within the report.

Mr Meffen, neighbour, addressed the committee in objection stating that the proposal would be an overdevelopment and requested that the bin storage be repositioned

County Councillor Rodohan addressed the committee in objection stating that he agreed with the Conservation Officer's views and that the proposal was an overdevelopment and detrimental to the neighbour.

Caroline Fox, Twin Training, applicant, addressed the committee in response stating that the building was in a poor state of repair and required improvements. The building no longer suited their needs and they wished to relocate to a more suitable location.

RESOLVED: (By 5 votes to 2) That permission be refused on the grounds that the proposed three storey rear extension by virtue of the bulk, scale and height, represents an intrusive, overbearing and unneighbourly development which would have a negative impact on the outlook and residential amenity of the occupiers of the adjacent property No.27 St Anne's Road and is therefore contrary to Saved Policy HO20 of the Borough Plan 2007, Policy B2 of the Core Strategy Local Plan 2013 and guidance contained within the National Planning Policy Framework 2012.

71 Saffrons View - 11 Meads Road. Application ID: 130520 (PPP)

130520 (PPP) - Saffrons View, 11 Meads Road - Retrospective application for the conversion of basement into 2 no. studio flats (previous approval was for 1no. flat) through re-orientation of internal space – **MEADS**. One letter of objection had been received.

The relevant planning history for the site was detailed within the report.

NB: Councillor Taylor was no longer present for this item.

A motion to defer for a site visit was lost by 2 votes to 4.

RESOLVED: (By 4 votes to 2) That permission be granted subject to a unilateral undertaking to secure a financial contribution of £1030.42 towards affordable housing and the following conditions 1) Drawing numbers – Proposed floor plan - DD/11meads/01, Site location plan 2) Blocking up of window facing Flat 2, Saffrons Gate (++) within 2 months from the date of this approval 3) The glass within the side ground floor window to the east side of the building facing the rear of Flat 2 Saffron's View shall be obscure glazed and fixed shut, and retained permanently as such in perpetuity.

72 South Downs National Park Authority Planning Applications. Verbal Report.

None were reported.

The meeting closed at 8.10 pm

**Councillor Murray
(In the Chair)**

Monday, 13 January 2014
at 6.00 pm



General Licensing Committee

Members: Councillor Shuttleworth (Chairman), Councillors Ansell, Coles, Cooke, Hearn, Liddiard, Murdoch, Warner and West

(Apologies for absence were reported from Councillors Murray, Stanley, Thompson and Ungar)

1 Minutes of the meeting held on 18 March 2013

The minutes of the meeting held on 18 March 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

2 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct

None were received.

3 Hackney Carriage and Private Hire Licensing Fee Amendment.

The Committee considered the report of the Senior Specialist Advisor in relation to the proposed amendment to the hackney carriage and private hire licensing fees.

The Council's hackney carriage and private hire licensing function were self-financing. The fees that are levied are reviewed in consultation with Financial Management to ensure that there was neither a surplus nor deficit in the hackney carriage and private hire account.

The Senior Specialist Advisor gave an overview to the Committee on the general principles of fee-setting. Income was raised by licence fees in order to ensure that council tax payers were not subsidising the work involved in the administration of licensing functions. The fees were not used to increase revenue but instead were set at a level which aimed to cover the cost of administering the function within the constraints of regulation.

Case law confirmed that approximate calculations were sufficient to discharge the requirement that the licensing authority endeavour to achieve a break even position. Surpluses in addition to deficits are required to be carried over year on year in order for local authorities to not make a profit. For example a shortfall in one year could be rectified by increasing costs the following year, although the authority does not have to adjust the licence fee every year to reflect a previous deficit or surplus.

It is a requirement that such fees are reasonable and imposed 'with a view to recovering the costs of issue and administration'. This included such matters as the reasonable cost of carrying out vehicle inspections to decide if a licence should be granted and the costs of assessing the suitability of applicants. This also included the cost of badge issuing and other administrative tasks as well as enforcement undertaken in respect of licensed drivers.

Currently individuals are required to obtain either a hackney carriage driver's licence, a private hire driver's licence or a dual driver's licence to enable them to drive a licensed vehicle. All vehicles that a driver utilised were required to be licensed and in addition private hire operators required a licence in order to take bookings on behalf of the drivers/vehicles within their fleet. Current licence fees were included in Figure 1 as part of section 3.2 of the report. The private hire operator fees levied was dependant on the number of private hire vehicles that the operator has within the fleet. The current fees for private hire operators were included in Figure 2 as part of Section 3.3 of the report.

The last amendment made to the fees took place in April 2001; therefore no change in the fees had been made in over twelve years. Appendix 1 of the report tabulated all taxi and private hire fees and charges currently levied, including the Disclosure and Barring Service (DBS) fee of £44. This was an additional fee added to the relevant driver's licence fee and was subsequently paid by the Council to the DBS. The Committee was advised that going forward it was envisaged that the trade may utilise the DBS online service directly at a cost of a £15 fee. This could result in the additional payment of £44 not being included in the driver licence fee which the licensing authority charges all drivers.

The proposed table of licence fees was laid out in Figures 3a and 3b of the report. It was proposed that the hackney carriage and private hire driver licences be removed, whilst retaining the dual driver's licence, so as to rationalise the fee structure. It was envisaged that all drivers would utilise a universal (dual) driver's licence that could be used in conjunction with either a hackney carriage or private hire vehicle licence. The single fee, that would be payable every 3 years, would enable a driver to drive either a hackney carriage or private hire vehicle. The proposals also ensured that the hackney carriage and private hire licence fees were set at an equal level of £150.

The Council's abridged accounts for 2011-2012 and 2012-2013 were included in Figure 4 as part of 3.11 of the report. Whilst expenditure had exceeded income during the last two financial years, this had been offset by the surplus which had been carried forward. The Committee was advised that the Council's projected budget at the 2013/14 year end for the costs of administrating and ensuring compliance with the scheme indicated a potential budget deficit of £12,000. The proposed licence fee amendment was intended to address the projected deficit in the short to medium term. A comparison with neighbouring authorities for licensed vehicles and driver's fees were included in Figure 5 as part of 3.13 of the report. The data clearly indicated that the proposed level of fees were highly

competitive. Councillor Cooke enquired whether the driver licence fee column, part of Figure 5 was for a dual licence. This was confirmed by the Senior Specialist Advisor, who advised the Committee that combining the two licences was a popular option amongst the trade.

The setting of hackney carriage and private hire licensing fees was subject to the specific requirements of the Local Government (Miscellaneous Provisions) Act 1976. The Act imposed a statutory requirement that the authority advertise the proposed increase of the licence fee in the local press, giving members of the public and the trade an opportunity to object to the proposals within 28 days of the advertisement. The full procedure was included at appendix 2 of the report. If any objections were received from the trade or the public, the matter would be referred back to the General Licensing Committee before any scheme was implemented. If no objections were received, the new fee structure would be implemented from 1 April 2014.

Mr Peter Smith, UNITE Hackney Carriage trade addressed the Committee and raised several concerns with the proposed fees. He made reference to the fact that the fees had last been amended 12 years ago in April 2001. In his view the hackney carriage trade had subsidised the private hire trade for a number of years. While the proposed fees might appear a reduction on paper, it was actually an increase. Mr Smith stressed that the hackney carriage trade had been harshly treated. He suggested a reduced fee arrangement for the hackney carriage proprietors.

He also feared that creating a single dual licence would lower the standards of driving in the trade. Currently hackney carriage drivers were expected to know a location in the town without the aid of a satellite navigation system, unlike drivers of private hire vehicles who sometimes utilise sat-nav systems. Mr Smith stated that he did not think private hire proprietors reach the standard of hackney carriage proprietors despite passing the compulsory knowledge test that all drivers are required to take. While a satellite navigation system would be useful if an address is picked up, problems would arise if an address could not be found by the system. Mr Smith advised that he did not have any objections to equal costs for licensing fees.

Mr Smith made reference to figure 5, as part of 3.13 of the report. He pointed out that the column for driver licence fee did not specify whether the fees charged by neighbouring authorities excluded the DBS fee of £44. He then raised concerns over the low and inconsistent fees proposed for private hire operator vehicles, going up the scale included at figure 3b, as part of 3.8 of the report. Mr Smith concluded by reiterating his concerns with the proposed fees. This included the proposed licence fee for hackney carriage vehicles, the anomaly that led to the hackney carriage trade paying more than required, the annual costs, the potential of standards being lowered in the trade and the cost of operation that Mr Smith felt had not been taken into account sufficiently.

Following a question from the Committee, the Senior Specialist Advisor clarified that currently when an individual passed the knowledge test they had an option to go for a dual licence and advised that there was no

difference in expectations for either licence. The proposed fees were designed to rationalise the service.

Councillor Warner enquired about the quality checking on driver standards amongst the trade. The Senior Specialist Advisor responded that the testing procedure had evolved over the past year. Prior to last year, four questions were asked to drivers at their knowledge test. This had now changed and the questions had been expanded and were regularly added to and at a knowledge test, twenty questions were picked at random. Mr Smith suggested that drivers were supplying questions and answers to each other to assist in the testing phase.

Councillor Liddiard asked how often new routes would be added to the knowledge test. The Senior Specialist Advisor responded that this was down to the Specialist Advisor's discretion but to avoid repetition the body of questions were added to regularly.

Councillor Warner enquired whether drivers were monitored after they had passed their knowledge tests. The Senior Specialist Advisor responded that once an individual passed a knowledge test, they had reached the customer expectation. It was a possibility that practical tests could be completed in an individual's car when required. If a driver failed a knowledge test, they could apply for a re-set with a new set of questions.

Councillor Liddiard suggested the idea of a mystery shopper style test for monitoring drivers. The Senior Specialist Advisor took onboard the suggestion and advised that this could be an option in the future. Currently if an individual contacted the Council regarding a driver, the Council would investigate and the appropriate action carried out.

Councillor Shuttleworth addressed the anomaly that had been raised by Mr Smith and assured that the Council was looking to put it right for the future. Councillor Ansell enquired what would occur if an undercharge occurred. The Senior Specialist Advisor responded that this would be addressed early by the Council's finance team and that it would flag up on the system.

Following a question from the Committee in relation to operator fees for quantity of vehicles, the Senior Specialist Advisor advised that Wealden District Council charged £120 per year irrespective of size of company/individual. For example the company Road Runner who operate 150 vehicles would pay the same cost per vehicle as an operator with one vehicle.

Councillor Hearn asked whether there was a difference in the tests for hackney carriage and private hire drivers. The Senior Specialist Advisor confirmed that the same test applied for all drivers.

Councillor Coles enquired about the consultation process and how many responses are normally received from the Trade. The Senior Specialist Advisor advised that the authority writes to all drivers and invites them to make a representation. This goes above the statutory requirement but the authority can't force a driver to respond.

Councillor Cooke asked about the proposed private operator fees and whether a set fee of £X per private hire vehicle licensed under the operator would be more appropriate. The Senior Specialist Advisor responded that the proposed fees were designed to not disadvantage those with a higher quantity of vehicles and reiterated that Wealden charged a flat fee across the board, regardless of vehicle quantity.

Councillor Murdoch reiterated the anomaly that had been raised by Mr Smith. He asked how regularly the fees would be monitored to avoid a repeat of the mistake that had led to the hackney carriage trade being overcharged. The Senior Specialist Advisor advised that monthly budget monitoring would take place, thus enabling year end budgets to facilitate the requirement for licence fee reviews going forward. The Committee was informed that it would be possible to revisit the fees set in the future.

Councillor West asked what legal steps could be taken to address the fact that hackney carriage drivers had been wrongly levied. The Monitoring Officer responded that this would need to be investigated in a different forum. Councillor Warner, Chairman of the Scrutiny Committee advised that the issue could be looked at by the Scrutiny Committee. This was supported by Councillor Shuttleworth, Deputy Chairman of the Scrutiny Committee.

RESOLVED: (Unanimously) (1) That the publication of the proposed hackney carriage and private hire licence fees, detailed in the report at figures 3a and 3b be approved in accordance with statutory requirements.

(2) That the approved fees come into effect from 1st April 2014, if no objections are received in during the required consultation period.

The meeting closed at 7.09 pm

**Councillor Shuttleworth
(Chairman)**

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Tuesday, 4 February 2014
at 6.00 pm



Planning Committee

Present:-

Members: Councillors Harris, Hearn, Jenkins, Liddiard, Miah, Murray and Taylor

(Apologies for absence were reported from Councillor Ungar)

73 Minutes of the meeting held on 7 January 2014.

The minutes of the meeting held on 7 January 2014 were submitted and approved and the Chairman was authorised to sign them as a correct record.

74 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.

None reported.

75 17 Rectory Close. Application ID: 130966 (HHH).

130966 - 17 Rectory Close - Proposed extensions at rear and side, together with new garage and internal alterations – **OLD TOWN**. Eight letters of objection had been received.

The relevant planning history for the site was detailed within the report.

Mr Simmonds addressed the committee in objection stating that the proposal would have a high visual impact and that there would be overlooking and overshadowing to his property.

Mr Gumbrell addressed the committee in objection stating that the proposal would result in a loss of light, overshadowing and would be out of keeping with the surrounding area.

Mr Wells addressed the committee in objection stating that the proposal would be an invasion of privacy, would block access to a sewer, would be detrimental to the overall appearance of Rectory Close and would cause disruption during the construction.

Mr Pearce, Agent, addressed the committee reiterating the Officer's comments and stating that the size of the plot could accommodate the extensions.

RESOLVED: (By 6 votes to 1) That permission be granted subject to the following conditions: 1) Time for commencement 2) In accordance with

approved drawings 3) Materials to be as stated 4) Obscure glazing to be installed and maintained to first floor window on northwestern elevation of extension and windows to be fixed shut 5) that delegated authority be given to the senior specialist advisor (planning) to agree with the applicant a further condition relating to the retention of the existing Mock-Tudor timber cladding and its replication on the proposed extension

76 19 Sydney Road. Application ID: 131058 (HHH).

131058 - 19 Sydney Road - Retrospective application for the installation of decking and guardrails to flat roof at rear, with removal of bedroom window, to be replaced with access door to decking – **DEVONSHIRE**.

The relevant planning history for the site was detailed within the report.

The Environment Agency and County Archaeologist made no comment on the applications.

The committee agreed that enforcement action should also be taken

RESOLVED: (By 5 votes to 1 with 1 abstention) That permission be refused on the grounds that 1) the development consisting of the installation of decking and guard rails to the flat roof facilitating the use of the flat roof as a terrace increases overlooking and a sense of overlooking, resulting in a loss of privacy to surrounding residential properties, contrary to saved policy HO20 of the Borough Plan 2007 and policy B2 of the Core Strategy Local Plan 2013. 2) Officers were authorised to commence enforcement proceedings and investigation into other existing terraces opposite

Appeal: should the applicant appeal the decision the appropriate course of action to be followed, taking into account the criteria set by the planning inspectorate, was considered to be written representations.

77 39 Silverdale Road. Application ID: 130928 (PPP).

130928 (PPP) - 39 Silverdale Road - Retrospective application under section 73a for the provision of a raised platform with fencing in rear garden – **MEADS**. Four objections had been received.

The relevant planning history for the site was detailed within the report.

The Conservation Officer considered that as the works were not visible from the public realm, there were no conservation issues.

Mr Thornton addressed the committee in objection stating his concerns about the increase in noise and the potential for the area to be used by more children.

Mr Symmonds, Agent, addressed the committee in response stating that the platform had been located so as to minimise the noise disturbance for neighbours and that the proposed planting and fence should further mitigate any effects on the neighbouring properties.

RESOLVED: (Unanimous) That permission be granted subject to the following conditions: 1) Time limit 2) In accordance with drawings 3) That the walls surrounding the platform/play area shall be rendered before the development is first brought into use, and permanently retained as such thereafter.

78 Eastbourne Community Infrastructure Levy (CIL) - Draft Charging Schedule.

The committee considered the report of the Senior Head of Development. The Community Infrastructure Levy (CIL) allowed local authorities in England and Wales to raise funds from developers undertaking new building projects. It effectively replaced much of the existing process of planning obligations commonly known as 'Section 106' agreements. The primary use of CIL was to gain financial contributions from certain types of viable development to help fund new or improved strategic infrastructure required to support the growth identified in a local authority's Core Strategy. CIL placed a charge per square metre on development. It would not be the sole funding source for all infrastructure delivered, but would supplement other public sector revenue streams.

Members noted that Cabinet had approved a preliminary charging schedule at their meeting on 10 July 2013 for the purposes of conducting a targeted consultation. A summary of the representations received and changes made were outlined in the Consultation and Cooperation Statement which was a background paper to the report. The revised charges were supported by further evidence on development viability.

The committee raised no objections to the report and supported the recommendations to Cabinet.

RESOLVED: That Cabinet be advised that the committee supports the CIL draft charging schedule for representations to be made over a six week period.

The meeting closed at 7.18 pm

**Councillor Harris
Deputy Chairman in the Chair**

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Cabinet



Minutes of meeting held on Wednesday, 5 February 2014 at 6.00 pm

Present:-

Councillors **David Tutt** (Chairman and Leader of the Council), **Gill Mattock** (Deputy Chairman and Deputy Leader of the Council), **Margaret Bannister**, **Carolyn Heaps**, **Troy Tester** and **Steve Wallis**.

67 Minutes of the meeting held on 11 December 2013

The minutes of the meeting held on 11 December 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

68 Declarations of Interests by Members

Declarations of disclosable pecuniary interests (DPIs) by members as required under Section 31 of the Localism Act and other interests as required by the Code of Conduct and regulation 12(2)(d) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012:

- (a) Councillor Tutt declared a personal (and non-prejudicial) interest in matters reported in minute 70 (HRA revenue budget and rent setting 2014/15 and HRA capital programme 2013/16) as he was a Council appointed non-executive director of Eastbourne Homes Ltd. and chose to withdraw from the meeting for this item.
- (b) Councillor Tutt declared personal (and non-prejudicial) interest in matters reported in minute 71 (Sustainable service delivery strategy update) as he was a non-executive director of IESE.

69 Corporate Performance - Quarter 3 - 2013/14

69.1 Cabinet considered the report of the Deputy Chief Executive reviewing the council's performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme; and treasury management activities for the third quarter of 2013/14. Throughout the year, performance against these key indicators and milestones was reported to Cabinet on a quarterly basis and to Scrutiny Committee members each month.

69.2 Resolved (key decision): (1) That the performance against national and local performance indicators and actions from the 2010/15 corporate plan (2013 refresh) be agreed.

(2) That the general fund, housing revenue account and collection fund financial performance for the quarter ended December 2013, as set out in sections 4, 5 and 6 of the report be agreed.

(3) That the virements and transfer to and from reserves as set out in appendix 3 to the report be approved.

(4) That the amended capital programme as set out in appendix 4 to the report be approved.

(5) That the treasury management performance as set out in section 7 of the report be agreed.

70 * General Fund Revenue Budget 2014/15 and Capital Programme 2013/17

70.1 Councillor Caroline Ansell addressed the Cabinet proposing that the Council consider allocating a total of £1m in 2014/15 from their reserves towards economic regeneration in Eastbourne to support the creation of new business and jobs. She suggested that the recently established East Sussex Investment Scheme ('Locate East Sussex') could provide a ready made vehicle through which the funds could be managed. Councillor Tutt commented that the Council had already allocated £0.5m to an economic regeneration reserve and he was happy to look further at how best to utilise the Council's funding in partnership with Locate East Sussex. He added a reservation in respect of spending reserves in the short term given future funding uncertainties and the need to ensure that resources were available for initiatives in the longer term. Councillor Tutt committed to liaise with Councillor Elkin, Opposition Leader, and Councillor Ansell on the use of the economic regeneration fund.

70.2 Cabinet considered the report of the Chief Finance Officer setting out the general fund revenue budget proposals for 2014/15 and a 3-year capital programme 2013/17. The medium term financial strategy (MTFS) had been revised in July 2013 and the Cabinet had agreed a draft 2014/15 budget proposal last December. The MTFS and resulting draft budget had been subject to extensive consultation and previously reported to Cabinet and the Scrutiny Committee.

70.3 The budget was the product of various plans and strategies as part of an integrated and corporate planning process and was linked principally to:

- The medium term financial strategy
- Asset management plans
- The corporate plan
- Workforce strategy
- Treasury management strategy
- Service plans
- Housing revenue account business plan
- DRIVE corporate transformation programme
- Sustainable service delivery strategy

70.4 The Chief Finance Officer had a legal responsibility to give positive assurances on the robustness of the estimates used in the budget and the level of reserves. He commented that if the recommendations in his report were agreed then these assurances would prevail.

70.5 The budget proposals included:

- No increase in the council tax in 2014/15.
- Overall savings totalling £0.808m (5% of the net budget).
- Efficiency savings of £0.608 (2.6% of the net budget).
- Inflation of £0.430m (2.6%).
- Other recurring service growth of £0.421m.
- Non recurring service investments of £0.446m.
- General reserves averaging in excess of £3.8m (against a minimum recommended of £2m).
- Capital receipts of £0.8m invested in new capital schemes.

Available earmarked reserves in addition to the budget:

- Strategic change fund £0.7m.

Economic regeneration reserve of £0.5m.

70.6 The budget represented management of financial risks by:

- Building on a balanced outturn position.
- Balancing the base budget requirement without needing to use reserves.
- Identifiable and deliverable savings with accountability and no general unidentified targets.
- Reserves well above the minimum level.
- Zero basing of reward grants.
- Providing the funding required for the DRIVE change programme to deliver the future savings required by the MTFs via the strategic change fund.

70.7 The underlying methods of local government financing were changing significantly from 2013/14 and further revisions for 2014/15 included the wrapping up of grants in the base "Start Up Funding" notably:

- The localisation of council tax grant (previously £1.2m).
- The council tax freeze grant 2013/14.
- New burdens grants.

70.8 The most notable change therefore was to apply the localisation of council tax grant to the same method of distribution as the formula grant (previously it had been a quid pro quo for the erosion of the tax base) this had meant a further loss of resources for Eastbourne in excess of £150,000. For Eastbourne the headline figures of the 2-year government settlement were:

- A reduction in revenue grants of £0.9m (19%).
- A further cut in baseline funding of £1m (20%) for 2015/16.
- Partially offset by new homes bonus (additional £0.350m in 2014/15 rising by a further £0.4m in 2015/16).

70.9 The national non-domestic business rate base had reduced slightly (£50,000) largely as a result of additional appeals, this was a provisional figure that would not be finalised until 31 January as the government had only just released the form used to calculate the base. In addition to the formula grant, the government was financing the cost of a 1% increase in council tax (£81,000) which it had confirmed would be put in the base for 2015/16 and beyond. The government had announced that Eastbourne would receive £897,000 in total of new homes bonus due to the growth in housing in the area and the further reduction in empty properties. Of this £500,000 would be transferred to the regeneration reserve to fund economic initiatives in line with the MTFS. The grant was paid in tranches for six years. The funding was not guaranteed beyond a 6 year horizon for each tranche. The projected award for 2015/15 was £1.3m. The Council's policy as outlined in the MTFS was to utilise any surplus grant for economic regeneration initiatives. A separate reserve had been set aside for that purpose. The government was financing the additional new homes bonus from reductions in revenue support grant, therefore, whilst volatile, it was becoming the preferred method of distribution of resources.

70.10 No increase in council tax for 2014/15 was proposed and this would result in an unchanged band D rate of £224.19 (14% of the total council tax bill). A summary of the resources available was given, as shown below:

Source:	£'m
Government formula grant	(3.735)
Retained business rates	(3.464)
New homes bonus	(0.897)
Council tax freeze grant	(0.081)
Grant for weekly household collection	(1.300)
Council tax	(7.202)
Collection fund deficit	<u>14</u>
Total resources available (rounded)	<u>(16.665)</u>

In order to achieve a balanced budget without using reserves, the Council would need to set a net expenditure budget for 2014/15 of £16.665m.

70.11 In addition to the general grant distributed through the new formula grant system, which was given towards financing the Council's net expenditure, the Government also provided some specific grants. These specific grants would fund in part or in full, service costs.

Grant	2014/15 £'m
Housing benefit subsidy	(c. 48)
Housing benefit administration	(0.8)
Household collection grant	(1.3)

Housing benefit subsidy was intended to reimburse the Council for the awards of benefit it made to eligible tenants in both the private and public rented sector. Not only is this by far the largest single specific grant that the Council received, but it was performance related. The Council had improved its performance in recent years. A new system of universal credits was due to be completed in October 2017 which would see the caseload moved to the Department for Work and Pensions. Responsibility for council tax benefit had now devolved to a local level. Housing benefit administration grant funded the cost of administering the national housing benefit and local council tax support schemes (a reduction of 10% from the 2013/14 funding) It was noted that the former homelessness grant (to assist with prevention and to find alternative accommodation other than bed and breakfast) had now been subsumed into the main grant system.

70.12 In December the Cabinet put forward their draft budget proposals, the main movements since then were detailed in appendix 1 to the report and summarised below:

Movement from 2013/14 base budget	£m	£m
Change in resources:		
Revenue support grant and new homes bonus	0.6	
Retained business rates	0.1	
Council tax – decrease in tax base/collection	0.1	
Cost increases:		
Inflation	0.4	
Other unavoidable costs increases and changes in income	<u>0.4</u>	1.6
Savings:		
Efficiency savings	(0.6)	
Increased Income	(0.2)	
Reduced contributions to reserves	<u>(0.8)</u>	<u>(1.6)</u>

Details of proposed growth and savings were given in full in appendix 2 to the report. The proposals set out in the report would allow full Council on 19 February to approve a balanced budget in line with available resources and without the need to use reserves.

70.13 The Council now followed a rolling 3-year financial planning cycle and the service and financial plans had been set out in detail for 2014/15. The next MTFS was due in July and would project forward a further 3 years and continue to provide the basis of service and financial planning for the medium term. It was noted that the significant level of the savings required for the next MTFS had already been identified. Further reports to Cabinet would detail the business plans under the Council's transformation programme (DRIVE). The government had set out a revised 4-year programme of reductions in funding and the Council's current MTFS already took this into account. The change programmes in place, such as the agile working programme and the sustainable service delivery strategy (SSDS) and the rest of the DRIVE

programme, would deliver savings over and above the minimum in order to create headroom for investment in priority services.

70.14 The report also detailed the principal financial risks the Council was likely to face, as follows:

- Housing benefit subsidy performance.
- Inflation on goods and services.
- Income from services linked to customer choice (theatres, tourism; sports centres, car parking).
- Demand led services (e.g. bed and breakfast).
- Legal challenges.

On an exception basis, information on each of the risk areas identified above, together with any new and significant risks that might emerge over the course of the year, would be included in each financial performance report to Cabinet and Scrutiny during the 2014/15 financial year.

70.15 A corporate contingency budget of £178,000 for unbudgeted expenditure or reductions in income had been allowed. This was in addition to the known inflation that had been built into service budgets. The Government had announced a 1% cap on pay rises in 2014/15 therefore £120,000 had been included in the contingency. Further, the Council's general fund reserves were anticipated to amount to £3.8m in March 2015 as compared with the Chief Finance Officer's minimum recommended level of £2m.

70.16 The following reserves had been set aside in addition to the general reserve in order to facilitate projects under the DRIVE programme. The available balances at 31 March 2015 were projected to be:

Reserve	Purpose	£'m
Strategic change	To fund internal projects under DRIVE	0.7
Economic regeneration	To promote economic growth	0.5

The Council had followed a process of consolidating its reserves into the corporate reserves above. This better facilitated corporate priority planning. The only other reserves that the Council held had specific obligations attached (e.g. Section 106/partnership contributions).

70.17 The principles for formulating the capital programme were set out in the budget report to Cabinet last December and the updated programme was given in appendix 3 to the report (proposed new schemes were shown in bold text) and showed a projected outturn for 2013/14 of £6.072m; a total budget for 2014/15 of £15.348m; £14.438 for 2015/16; and £6.880m for 2016/17. The Council had a policy of only using borrowing for schemes that were 'invest to save' and could generate enough savings or additional income to service the financing costs. In addition to schemes that qualified for borrowing, the Council had a further £800,000 of capital receipts to apply to the programme.

No uncertain future capital receipts had been factored into the available resource so there would be opportunities to supplement the programme as the 3-year period progressed. Potential disposals would be identified through the asset management plans.

70.18 The HRA capital programme was set out in another report on the agenda (minute 70 below) and was financed entirely from HRA resources. Once approved it would be amalgamated with the general fund programme.

70.19 Councillor Mattock commented that the steps taken by the Council in previous years had ensured the making of significant efficiency savings allowing the Council to adjust to the reduced levels of government funding, the impact of inflation and growth in demand for services without recourse to cuts to front line services, with no increase in the borough's proportion of the council tax for the fifth year running and increased spending in a number of priority areas. On behalf of the Cabinet she expressed her thanks to the Chief Finance Officer, his team and other council staff who had helped in the preparation of this budget.

***70.20 Resolved (budget and policy framework):** (1) That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) A general fund budget for 2013/14 (revised) and 2014/15 (original) as set out in appendix 1 to the report, including growth and savings proposals for 2014/15 as set out in appendix 2 to the report.
- (b) No increase in the council tax for Eastbourne Borough Council resulting in an unaltered 'Band D' charge of £224.19 for 2014/15.
- (c) A general fund capital programme and financing 2013/17 as set out in appendix 3 to the report.

(2) To note that the business rates base for 2014/15 (the setting of which was the subject of a delegation to the Chief Finance Officer in consultation with the lead member for finance) has not yet been finalised but will be reflected in the budget council resolutions to be placed before the Council meeting.

71 * Treasury Management and Prudential Indicators 2014/15

71.1 Cabinet considered the report of the Chief Finance Officer seeking approval to the Council's borrowing and investment strategies in line with legislative and other regulatory requirements as described in the report. The Council was required to receive and approve, the prudential and treasury indicators and treasury strategy as part of the budget setting process each year. This covered:

- the capital plans (including prudential indicators);
- a minimum revenue provision policy (how residual capital expenditure was charged to revenue over time);
- the treasury management strategy (how the investments and borrowings were to be organised) including treasury indicators; and

- an investment strategy (the parameters on how investments were to be managed).

***71.2 Resolved (budget and policy framework):** That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) The treasury management strategy and annual investment strategy as set out in the report;
- (b) the methodology for calculating the minimum revenue provision set out at paragraph 2.3 of the report;
- (c) the prudential and treasury indicators as set out in the report; and
- (d) the specified and non-specified investment categories listed in appendix 3 to the report.

72 * Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2014/15 and HRA Capital Programme 2013/16

72.1 Cabinet considered the report of the Senior Head of Community and Chief Finance Officer in respect of the rents, service and other charges to be set for all of the council's housing tenants. The report outlined the revenue account budget proposals for 2014/15 and housing capital programme 2013/17 and arrangements for agreeing Eastbourne Homes Limited's (EHL) management fee and delivery plan.

72.2 From the 1 April 2012 the way that council social housing was financed was changed and the HRA became self financing. This meant that expenditure had to be entirely supported from rental and other income. The main tool for the future financial management of the HRA was the 30 year business plan which had been approved by Cabinet on 8 February 2012. The introduction of HRA self financing did not end the requirement to maintain a statutory ring fenced HRA and the Council was still required to maintain a separate account for the income and expenditure on council housing. The report reflected the recommendations made by Eastbourne Homes in relation to the increases in rent levels, service and other charges.

72.3 The HRA revenue budget (appendix 1 to the report) had been produced based on the policies set out in the HRA 30 year business plan and showed an overall surplus of (£307,760) for 2014/15. This was mainly due to a number of favourable factors including the rent and service charge review, the change in requirement for the provision of bad debts and the savings from treasury management activities on borrowing.

72.4 The rent levels had been prepared in accordance with the Council's rent convergence policy and the self financing business plan assumptions. The average increase was 4.68%. Following the change to self financing in the HRA, void rents were recommended to move to target routinely. Service charges, heating and water charges were fixed weekly amounts set at a level to recover the expected actual cost to be incurred for the respective properties in the forthcoming year. Garage

rents were recommended to increase in line with the average increase in housing rents 4.68%.

72.5 Total budgeted expenditure on the HRA capital programme was planned at £9,771,000 for 2014/15, £4,258,000 for 2015/16 and £4,195,000 for 2016/17. The decent homes work was due to be completed during 2013/14 and the remodelling of the sheltered accommodation by 2014/15. The major works element of the programme was in line with the asset management plan and the HRA business plan model.

***72.6 Resolved (budget and policy framework):** That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) The HRA budget 2014/15 and revised 2013/14, as set out in appendix 1 to the report;
- (b) that rents are set in line with the rent convergence target of 2016 set by Government resulting in an average increase in rents of 4.68%;
- (c) that void HRA properties which are due for re-let are moved to target rent automatically;
- (d) that service charges for general needs properties are increased by 2.75%, slightly below the RPI index;
- (e) that service charges for older persons' sheltered accommodation currently available for let are increased by 4.83%;
- (f) that heating costs are set at a level designed to recover the estimated actual cost;
- (g) that water charges are set at a level designed to recover the estimated cost of metered consumption;
- (e) that garage rents are set to increase by 4.68% in line with the average increase in housing rent;
- (f) that delegated authority be granted to the Senior Head of Community, in consultation with the lead Cabinet members for community services and finance and the Chief Finance Officer to finalise Eastbourne Homes' management fee and delivery plan; and
- (i) the HRA capital programme as set out in appendix 2 to the report.

Note: See minute 66 above as to disclosure of personal (and non-prejudicial) interest by Councillor Tutt. Councillor Tutt chose to withdraw for this item and Councillor Mattock took the chair.

73.1 Cabinet considered the report of the Deputy Chief Executive updating members on the progress made in regard to the SSDS programme, with particular reference to the Future Model programme plan (phase two) as at January 2014, this being one of the key projects under the corporate plan sustainable performance theme (project 2 – efficiency). The Future Model programme aimed to improve service delivery whilst delivering savings estimated at £1.7m to £2m across the organisation. The current phase, phase two, was estimated to save £1.2m - £1.5m.

73.2 In July 2013 Cabinet approved the adoption and implementation of phase two of the programme and delegated authority to the DRIVE programme board to run the programme within the allocated resources. The scope of phase two included the corporate management team and senior management; housing; revenues; benefits; fraud; strategic performance; democratic/civic services; electoral services and local land charges; community development, involvement and crime reduction; tourism development marketing; seafront services; events; sports and leisure; finance – payments and income; finance – procurement; digital mail room; customer contact activity currently carried out by Capita for revenues and benefits; and asset management.

73.3 The report provided details of progress to date and outlined key decisions to be made and milestones in the coming months. A key priority for August and September was mobilising the programme and ensuring that the appropriate contracts were in place. This was completed successfully and the Council would be working once more with Civica and Ignite as the principal implementation partners. The phase two project teams were largely in place and working well. Workshops were underway and staff were engaging well. The implementation of the new revenues and benefits was the biggest technology project and had therefore been a key area of focus in the first two quarters, and was on target.

73.4 In addition to the current activity under phase two of the Future Model, an opportunity had arisen to explore the development of shared corporate services with Lewes District Council. It was proposed that iESE were instructed to work with the councils to develop a brief for the piece of work which should provide a view covering options, costs, benefits (financial and non-financial), risks, issues and the likely implementation pathway with regard to any proposal. The anticipated cost of this work would be capped at £15,000 to each council. A further report to Cabinet would outline the findings and recommend a way forward in due course. Lewes District Council had approved both the initiative and the budget for this work at their Cabinet meeting on 6 January 2014.

73.5 Resolved (key decision): (1) That the key activities and progress made against the Future Model programme plan (phase two) be noted.

(2) That the key programme milestones for February 2014 – May 2014 be noted.

(3) That a budget of £15,000 be approved to investigate the opportunities, costs and issues of developing shared corporate services with Lewes District Council.

Note: See minute 66 above as to disclosure of personal (and non-prejudicial) interest by Councillor Tutt.

74 Eastbourne Town Centre - Update on Use of Compulsory Purchase Powers

74.1 Cabinet considered the report of the Senior Head of Development. Cabinet, on 6 February 2013, had approved the making of a compulsory purchase order (CPO) subject to the completion of an indemnity agreement with Performance Retail Limited Partnership (PRLP) (the owners of the Arndale Centre) to facilitate the redevelopment of the extension to the Centre. Cabinet authorised officers to negotiate and enter into a CPO indemnity agreement with PRLP (the developer) to indemnify the Council against all costs and compensation awards associated with the Council making a CPO, and also granted delegations to officers to carry out all steps necessary to obtain the CPO.

74.2 PRLP submitted a new application in December 2013 for revised proposals to the Arndale Centre extension which included leisure uses. This application had yet to be determined by the Council's planning committee. If approval was forthcoming the revised scheme would become the underlying scheme for the proposed CPO. Since the last report the boundary of the land needed for the development had been slightly adjusted. Although the scheme to be implemented would now include the leisure offer there was little change in the land needed for the proposal. However for the avoidance of doubt a revised plan showing the CPO area was attached to the report at appendix 1.

74.3 It was understood that PRLP had sought to separately negotiate with some of the third party landowners in order to secure land required for the Arndale Centre extension, by agreement. Whilst good progress had been made, there remained a number of interests which had not been secured by private treaty and officers were satisfied that a CPO was required to facilitate land assembly; in the context of the regenerative benefits this would have for the town, there was a compelling case in the public interest to use its CPO powers accordingly. Albeit PRLP would be encouraged by the Council to continue to negotiate with third parties once the CPO process commenced.

74.4 Resolved (key decision): (1) That Cabinet note planning application 131071, which is to be determined by the Council's planning committee, and Cabinet confirm that in the event that the application is granted, with or without modifications, the authority delegated to the Senior Head of Development on 6 February 2013 to make a compulsory purchase order (CPO) will continue to apply. The authorisations previously granted provided that:

Cabinet delegate to the Senior Head of Development, in consultation with The Chief Finance Officer and the Leader, authority to:

- (a) take all necessary steps to secure the making, confirmation and implementation of the CPO including the publication of all notices to give effect thereto;
- (b) complete an indemnity agreement with PRLP to provide for the reimbursement of costs incurred by the Borough Council in processing the CPO;
- (c) make minor or technical amendments to the boundary of the delineated area, if necessary;
- (d) acquire all necessary interests in the delineated area (as may be amended) either by agreement or compulsorily;
- (e) negotiate with any landowner or occupier;
- (f) set out the terms for the withdrawal of objections to the CPO;
- (g) make arrangements to assist with any relocation as required;
- (h) to confirm the CPO if granted power to do so by the Secretary of State;
- (i) make arrangements for the presentation of the Borough Council's case for confirmation of the CPO at any public inquiry;
- (j) exercise the compulsory purchase powers authorised by the CPO by way of general vesting declaration and/or notice to treat.

(2) That, in addition, that the Senior Head of Development, in consultation with the Chief Finance Officer and Leader of the Council, be given delegated authority to exercise the Council's powers of appropriation and powers under S.237 of the Town and Country Planning Act 1990, if required.

(3) That the revised plan at appendix 1 to the report is the area to be used to make the compulsory purchase order (subject to any further variations).

75 Community Infrastructure Levy (CIL) - charging schedule

75.1 Cabinet considered the report of the Senior Head of Development. The Community Infrastructure Levy (CIL) allowed local authorities in England and Wales to raise funds from developers undertaking new building projects. It effectively replaced much of the existing process of planning obligations commonly known as 'Section 106' agreements. The primary use of CIL was to gain financial contributions from certain types of viable development to help fund new or improved strategic infrastructure required to support the growth identified in a local authority's Core Strategy. CIL placed a charge per square metre on development. It would not be the sole funding source for all infrastructure delivered, but would supplement other public sector revenue streams.

75.2 Cabinet had approved a preliminary charging schedule at their meeting on 10 July 2013 for the purposes of conducting a targeted consultation. A summary of the representations received and changes made were outlined in the Consultation and Cooperation Statement

which was a background paper to the report. The revised charges were supported by further evidence on development viability.

75.3 It was reported that Planning Committee had received a report on this matter at their meeting on 4 February 2014 and had raised no objections. They had, however, asked if the Council could revisit and amend the charges in the future. They were advised that the intention was that they would be reviewed on a yearly basis.

75.4 Resolved (key decision): (1) That the CIL draft charging schedule be approved for consultation over a 6 week period.

(2) That the Senior Head of Development, in consultation with the lead Cabinet member, be given delegated authority to make minor amendments before the commencement of the 6 week representation period.

(3) That the Senior Head of Development, in consultation with the lead Cabinet member and the Local Planning Steering Group, be given delegated authority to make any necessary adjustments to the CIL charging schedule following the completion of the consultation before submission to the Government Inspectorate for the public examination.

76 Impacts of Welfare Reform and the Council's Response

76.1 Cabinet considered the report of the Senior Head of Community. The coalition government had introduced a series of reforms to the welfare system since coming into power in. The report set out some of the impacts that the raft of changes had brought about and updated members on the efforts of the Council to support those affected.

76.2 Universal Credit (UC) aimed to simplify the benefits system, by bringing together several state benefits, including housing benefit, and to always make work pay. The introduction of UC had been beset by problems, mainly due to the complexity of the IT system required to administer it. The latest timetable would see UC in place for all new claims during 2016, with existing claims migrated to UC by the end of 2017.

76.3 The spare room subsidy aimed to limit the amount of housing benefit for working-age claimants who occupied social sector housing to the number of bedrooms the household needs. A similar, but not identical system, local housing allowance, had been in place in the private rented sector for several years. Under the spare room subsidy rules, if a household had one bedroom more than needed their housing benefit was reduced by 14%, and by 25% if they had more than one bedroom too many. A shortage of one and two bedroom properties meant that many people affected by this, who might want to downsize, found that there were no smaller properties available. In Eastbourne 407 people had seen a reduction of, on average, £15.55 per week, making an annual loss of £329,100.

76.4 The benefit cap limited the amount of benefit that single people could get to £350 per week and for others to £500 per week. Certain people were exempt, for example those in receipt of attendance allowance and some benefits were not included in the limits. 53 households were affected with losses ranging from £2.30 per week to £207.19 per week.

76.5 Council tax benefit was replaced by local schemes of support from April 2013. This change was accompanied by a 10% cut in funding which, for Eastbourne, amounted to c£1m. The Council, in collaboration with the county, police, fire and other districts implemented a scheme which aimed to protect the most vulnerable, incentivise people back into work and to meet the funding gap. After taking advantage of a transitional grant and flexibilities offered around certain council tax discounts and exemption, the adopted scheme affected only 470 people, who were already paying some Council Tax, with an average loss of only £4.60 per week. Many councils put in place schemes that required everyone to pay something, normally around 15% to 20% of their liability. The Council had decided to retain this scheme for 2014/15.

76.6 From April 2013 local authorities assumed responsibility for some elements of what was the social fund. East Sussex County Council now had responsibility for administering the crisis loans and community care grants, now known as local welfare support. The County's scheme had been named the Discretionary East Sussex Support Scheme. As at the end of September, County had made nearly 400 awards to Eastbourne residents (112 awards for food and utilities (30% of awards countywide) and 276 awards for other item (26% of awards countywide)). In addition, the Council has been given £70,000 to help with rent in advance and rent deposits and had been given authority to make awards for other items, within a budget of £10,000. Eastbourne Foodbank had been awarded £5,000 towards the costs of an advocate to assist people with long-term problems and to speak to organisations on their behalf.

76.5 Personal independence payments were replacing disability living allowance (DLA) for people of working age; the change was being implemented between October 2013 and October 2018 and the government estimated that this would reduce the overall cost of this benefit by 20%. In February 2013, which was the latest date for available figures, there were 5,410 people in receipt of DLA in Eastbourne. It was estimated that over 1,000 people would lose entitlement by the time the roll-out was complete. A possible consequence of someone losing entitlement was that, if they were in receipt of housing benefit or council tax support, they would also see a reduction in help with housing costs and council tax.

76.6 The Council had:

- Created a benefits and welfare advice officer post
- Secured funds through Supporting People to establish the East Sussex Welfare Reform Action group. This has provided training for advisors from many organisations, produced a YouTube, put in place a publicity campaign, set up a free advice Helpline.

- Established a working group with Eastbourne Homes and the Jobcentre Plus focusing primarily on assisting those Eastbourne Homes Residents affected by the spare room subsidy and the benefits cap.
- Set up a process of reviewing both the impact of the changes and the effectiveness of the Council's response.
- In partnership with Lewes District Council, engaged with Future Gov on the development of a mobile phone app that could assist people with money management.
- Maximised the effectiveness of the increased funding available from the discretionary housing payments budget. As at the end of September, 360 awards had been made committing £125,633 of the £256,602 budget. This included £17,000 to people affected by the benefit cap and £44,000 to those affected by the spare room subsidy.

76.7 Resolved: That the measures taken to support residents affected by Welfare Reform be endorsed.

77 Safeguarding Children and Vulnerable Adults

77.1 Cabinet considered the report of the Senior Head of Community. A recent review of the Council's policy had found that the Council's approach had major strengths, however minor amendments and improvements were suggested and a revised policy was appended to the report for Cabinet's approval. An action plan was being worked on and progress would be reported on within the normal audit and governance cycle.

77.2 Resolved (key decision): (1) That the revised Child and Vulnerable Adult Protection Policy be agreed and adopted.

(2) That the East Sussex Local Safeguarding Children's Board Annual Report (2012/13) and Business Plan 2013/15 be noted.

78 Write-off of Irrecoverable Debts

78.1 Cabinet considered the report of the Chief Finance Officer seeking approval to the write-off of debts in excess of £5,000 as required by financial procedure rule 4.26. Full details were given in a separately circulated appendix covered under exempt information reason 3 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information).

78.2 Resolved: That the write off of irrecoverable debts detailed in the exempt appendix, totalling £ 141,329.73, be approved.

79 Exclusion of the Public

Resolved: That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government

Act 1972. The relevant paragraphs of schedule 12A and descriptions of the exempt information are shown in minute 76 above and beneath the items below. *(The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

80 Summary of confidential proceedings for information

(Note: The full minutes of the under-mentioned items are set out in the confidential section of these minutes. The reports remain confidential.)

(a) Small Grants to Voluntary Organisations 2014/15

80.1 Cabinet received a report on the small grants element of the community grants programme. A budget of £64,200 was allocated for small grants in 2013/14. It was proposed that this budget was maintained in 2014/15 subject to final decisions on the overall budget. Given the financial constraints on the Council at present, the proposed budget continued to protect the voluntary and community sector as a whole from significant reductions in spending on their activities by this Council.

80.2 In addition to the small grants programme, Cabinet had previously agreed major grants for the three years from 2013/14 to 2015/16 as follows:

Citizen's Advice Bureau	£115,000
East Sussex Credit Union	£ 15,000
Salvation Army	£ 19,000
Eastbourne & Wealden YMCA	£ 40,000
3VA	£ 14,000
Total	£203,000

80.3 It was reported that the Council also supported voluntary and community organisations in a variety of other ways including:

- The award of rent support grants to some organisations occupying Council properties to the value of £242,400.
- Discretionary rate relief awards to voluntary and community sector occupying premises in the town with a budget in 2013/14 of £35,654.
- The Council's proposed housing service's grant of £76,500 in 2014/15 to Brighton Housing Trust for the provision of services to homeless households and the Family Intervention Project.
- Allocation of £90,000 each year to the Council's devolved ward budget scheme, with ward councillors were able spend up to £10,000 on quick fix one-off works or initiatives to improve the lives of local residents. Local residents could make suggestions on

how this money should be spent by contacting their local councillor.

80.4 In total the Council's direct support to voluntary and community organisations amounted to over £711,754. This level of support had significantly increased at a time when spending in many other areas had been reduced.

80.5 The current community grants policy agreed by Cabinet in 2012 set out the eligibility criteria for applications. These were designed to reflect the limited budget available and the wide demand for funding within the voluntary and community sector. The aim was to ensure that resources were spent where services were most needed and that robust arrangements were in place for managing any grant. Applications for large capital items could not be considered. Similarly applications for services which duplicated existing services and were available and funded elsewhere were ineligible. There must also be a clear financial need for funding and organisations with large unrestricted reserves or which made a significant surplus could not be funded. The policy also excluded any organisation which itself awards grants to other organisations.

80.6 Details of applications received were given in an exempt report. Cabinet endorsed the approach taken by the Grants Task Group in assessing the applications against the Council's approved policy criteria and approved awards within the budget available. Details of the grants awarded would be made public as soon as the grant applicants had been informed of the awards. This would happen after full Council had agreed the 2014/15 budget on 19 February 2014.

80.7 Cabinet also noted that a review of the grants policy would be undertaken in the coming year.

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

(b) Alternative Employment Procedure.

80.8 Cabinet noted that one employee was currently subject to the procedure at present. They noted the actions taken to manage implications of change for displaced individuals.

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

individual.

(c) Towner

80.9 Cabinet considered a report updating members on progress in resolving outstanding contractual matters in relation to the construction of the Towner. The Chief Executive was given delegated authority to settle the dispute.

Exempt information reasons 3 and 5. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The meeting closed at 7.08 pm

Councillor David Tutt
Chairman

By virtue of paragraph(s) 1, 2, 3, 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

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