

Cabinet

14 September 2022



Working in partnership with **Eastbourne Homes**

Time and venue:

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

Membership:

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

Quorum: 3

Published: Tuesday, 6 September 2022

Agenda

1 Minutes of the meeting held on 13 July 2022 (Pages 5 - 14)

2 Apologies for absence

3 Declaration of members' interests (Please see note at end of agenda)

4 Questions by members of the public

On matters not already included on the agenda and for which prior notice has been given (total time allowed 15 minutes).

5 Urgent items of business

The Chairman to notify the Cabinet of any items of urgent business to be added to the agenda.

6 Right to address the meeting/order of business

The Chairman to report any requests received to address the Cabinet from a member of the public or from a Councillor in respect of an item listed below and to invite the Cabinet to consider taking such items at the commencement of the meeting.

7 Corporate performance - quarter 1 - 2022/23 (Pages 15 - 46)

Part A - Portfolio Progress and Performance

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

Part B - Financial Performance

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

Information for the public

Accessibility:

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Public participation:

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

Information for Councillors

Disclosure of interests:

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

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

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation).

Councillor right of address:

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Working in partnership with **Eastbourne Homes**

Cabinet

Minutes of meeting held in Court Room at Eastbourne Town Hall, Grove Road, BN21 4UG on 13 July 2022 at 6.00 pm.

Present:

Councillor David Tutt (Chair).

Councillors Stephen Holt (Deputy-Chair), Margaret Bannister, Helen Burton, Alan Shuttleworth, Colin Swansborough and Rebecca Whippy.

Officers in attendance:

Robert Cottrill (Chief Executive), Homira Javadi (Chief Finance Officer), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Tim Whelan (Director of Service Delivery), Becky Cooke (Assistant Director for Human Resources and Transformation), Sian Hedger (Interim Deputy Chief Finance Officer), Ola Owolabi (Deputy Chief Finance Officer (Corporate Finance)), Simon Russell (Head of Democratic Services) and Kate Slattery (Solicitor).

Also in attendance:

Councillor Penny di Cara (Opposition Deputy Leader), Councillor Jane Lamb (Shadow Cabinet member), Councillor Kshama Shore OBE (Chair of Scrutiny Committee) and Councillor Robert Smart (Opposition Leader).

5 Welcome

Councillor Tutt welcomed Councillor Burton to her first meeting of the Cabinet, following her appointment. Councillor Burton portfolio title was property assets, heritage assets and communications.

6 Minutes of the meeting held on 1 June 2022

The minutes of the meeting held on 1 June 2022 were submitted and approved and the Chair was authorised to sign them as a correct record.

7 Apologies for absence

None were reported.

8 Declaration of members' interests

Councillor Burton declared a personal and non-pecuniary interest in agenda item 8 (Cost of Living Crisis) as she manages the Volunteers Network, which runs one of the community ladders that may apply for funding. She remained in the room and voted on the item.

Councillor Holt declared a personal and non-pecuniary interest in agenda item 12 (Eastbourne Borough Council Homelessness & Rough Sleeping Strategy 2022-2027) as his employer (Your Eastbourne BID) work in partnership with the Rough Sleeping Initiative and Housing Team. He remained in the room and voted on the item.

9 Recovery and Stabilisation Programme

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

Scrutiny Committee at its meeting on 11 July 2022, supported the officer recommendations to Cabinet. They also requested the following additional information, which was noted by the Cabinet:

- (1) That further analysis is provided on the £936,800 delivered on Homes First reshaping; and**
- (2) That an item-by-item comparison on the CIPFA pro-forma, highlighting the status of each item and in particular those items with a six-month time frame that have not yet been enacted, is provided.**

Part (1) of the requested information had been circulated to the Scrutiny Committee and Cabinet, following their meeting. Part (2) of Scrutiny Committee's request would be circulated in due course.

It was further clarified that prior to the pandemic there had been an expediential increase in homelessness in the town. Council officers had worked to provide accommodation for many of those cases. The subsequent work with partners and the Rough Sleeper Initiative had led to greater access to temporary accommodation and less reliance on emergency accommodation, which was financially beneficial to the Council. This was reflected in the subsidy savings on Homes First reshaping.

The Leader commended Cabinet colleagues and officers for their work in securing the achievements as set out in the report.

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

Resolved (Non-key decision):

- (1) To note the progress made with the Recovery and Stabilisation Programme
- (2) To note the Recovery and Stabilisation savings set out at Appendix A to the report.
- (3) To note and endorse the assurance review update set out at Appendix B to the report.

(4) To note the information requested by the Scrutiny Committee, at its meeting on the 11 July 2022 and detailed above.

Reason for decisions:

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

10 Cost of Living Crisis

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, asking them to agree a range of measures to support local people struggling due to the cost-of-living crisis.

Councillor Holt identified a couple of errors in the published report. Section 1.2 should reflect that Full Council at its meeting in May 2022 agreed broader actions in response to the pandemic and it was the Leader of the Council, rather than Full Council, who established a cost-of-living emergency fund, following that meeting, which had led to the proposals set out in the report. The two figures in Section 5.1 also should read £250,000. Officers agreed to update and republish the report following the meeting.

Visiting member, Councillor Lamb, addressed the Cabinet on this item. The Cabinet agreed that work was needed to target those individuals who weren't necessarily willing or able to come forward for the available support.

To reflect the Leader's recent appointment of Councillor Babarinde to the Council's newly created Cost of Living Champion post, the Cabinet unanimously agreed to amend resolution (2) to include the Champion as part of the consultation and this was reflected below.

Councillor Burton declared a personal and non-pecuniary interest in this item and remained in the room and voted on the item.

Resolved (Key decision):

(1) To agree that £250k be allocated from the newly created Cost of Living Support Reserve to establish a cost-of-living crisis fund.

(2) To agree that the Deputy Chief Executive, in consultation with the Grants Task Group and Council's Cost of Living Champion, be given delegated authority to allocate the cost-of-living crisis fund.

Reason for decisions:

To help tackle those worst affected by the cost-of-living crisis.

11 Corporate performance - quarter 4 - 2021/22

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, updating them on the Council's performance against Corporate Plan priority actions, performance indicators and targets for the fourth quarter of the year 2021-2022.

Thanks were conveyed to staff, particularly those in the Customer Contact Centre for their performance during an incredibly challenging year.

Following points raised around chasing outstanding arrears, the Chief Finance Officer reported that nationally on average, billing authorities had £21 million outstanding arrears.

Visiting members, Councillor Di Cara and Shore addressed the Cabinet on this item.

Resolved (Non-key decision):

To note progress and performance for quarter 4.

Reason for decision:

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

12 Revenue & Capital Outturn - 2021/22

The Cabinet considered the report of the Chief Finance Officer, updating them on the provisional outturn for 2021/22.

Resolved (Key decision):

(1) To note the provisional outturn for 2021/22.

(2) To approve the transfers from/to reserves as set out in section 3.

Reason for decisions:

To enable Cabinet members to consider specific aspects of the Council's financial performance for 2021/22.

13 Treasury management annual report 2021/22

The Cabinet considered the report of the Chief Finance Officer, reporting on the activities and performance of the Treasury Management services during 2021/22.

The Deputy Chief Finance Officer commented that the report fully complied with all regulations as required by Chartered Institute of Public Finance and

Accountancy (CIPFA).

Scrutiny Committee at its meeting on 11 July 2022, supported the officer recommendations to Cabinet. They also requested the following additional information which was noted by the Cabinet:

(1) That a full analysis of the movement of debt from 1 April 2021 – 31 March 2022 be provided.

The information requested had been circulated to the Scrutiny Committee and Cabinet, following their meeting.

The Audit and Governance Committee, at its meeting on 12 July 2022 also considered the report and were supportive of the officer recommendations.

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

Resolved (Non-key decision):

To note the information requested by the Scrutiny Committee, at its meeting on the 11 July 2022 and detailed above.

Recommended to Full Council (Budget and policy framework):

(1) To agree the annual Treasury Management report for 2021/22.

(2) To approve the 2021/22 prudential and treasury indicators included.

Reason for decisions:

Requirement of CIPFA Treasury Management in the Public Sector Code of Practice (the Code) and this has to be reported to Full Council.

14 Eastbourne Borough Council Homelessness & Rough Sleeping Strategy 2022 - 2027

The Cabinet considered the report of the Director of Service Delivery, introducing a new homelessness and rough sleeping strategy and asking them for approval of the strategic goals, objectives, and associated action plan.

The Cabinet commended officers for their work in producing the report and strategy.

Councillor Holt declared a personal and non-pecuniary interest in this item and remained in the room and voted on the item.

Resolved (Key decision):

(1) To consider the final draft of the Eastbourne Homelessness & Rough Sleeping Strategy 2022 – 2027, set out at Appendix 1 to the report.

(2) Subject to there being no requirement for significant amendments, to authorise the Director of Service Delivery to adopt the strategy for public release.

Reason for decisions:

(1) To secure Cabinet approval for a new homelessness and rough sleeping strategy, which local authorities have a statutory obligation to review and publish every five years.

(2) The new strategy provides a strategic overview of the current challenges and sets out a framework and action plan addressing these.

15 Review of Planning Policy and Licensing for Houses in Multiple Occupation

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, providing an update on a review of planning policy and licensing for Houses in Multiple Occupation (HMOs).

Cabinet expressed its thanks to Lisa Rawlinson, Strategy & Partnership Lead (Growth & Prosperity) for her work already undertaken on the subject.

Scrutiny Committee at its meeting on 11 July 2022, supported the officer recommendations to Cabinet. They also requested the following item to be added to the Committee's work programme.

(1) That the consultants commissioned to provide robust evidence to support and justify any future decisions on action regarding HMO planning policy and licensing shall provide an interim update to the Scrutiny Committee at its meeting on 28 November 2022

The Cabinet noted the request from Scrutiny Committee, and whilst preferable for an update to be reported in November, until further details and a timescale was established, it would be more appropriate for a commitment to provide an update to Scrutiny Committee but not to confirm a date of which meeting at this stage.

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

Resolved (Non-key decision):

(1) To note the issues and implications associated with the potential courses of action identified in this report relating to the review of planning policy and licensing for Houses in Multiple Occupation and selective licensing of other private sector residential properties

(2) To seek approval to commission robust evidence to fully underpin future strategies to manage and tackle Houses in Multiple Occupation and other

private sector residential properties in the town and to allocate £25,000 to enable this to happen.

(3) To note the Scrutiny Committee's request that the consultants commissioned to provide robust evidence to support and justify any future decisions on action regarding HMO planning policy and licensing provide an interim update to a future meeting of the Scrutiny Committee.

Reason for decisions:

(1) To enable a full understanding of the current situation regarding HMOs and other private sector residential properties in the town, including future need and impacts on local communities.

(2) To provide evidenced justification for any future decisions relating to local plan policy and additional or selective licensing schemes for HMOs and other private sector residential properties.

16 Methodology for collecting monitoring fees in connection with the compliance with/of S106 Legal Agreements

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, seeking their approval to implement a regime S106 monitoring and apply monitoring fees in accordance with this report.

Visiting member, Councillor Di Cara, addressed the Cabinet on this item.

Resolved (Non-key decision):

To authorise the incorporation of S106 Monitoring fees.

Reason for decision:

The proposal to implement a suite of charges to support the staffing resource in the monitoring and compliance of approved S106 Legal Agreements.

17 Revised Planning Pre-Application Charging Schedule

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, seeking their approval to implement an updated Discretionary Fee Setting Regime.

Resolved (Non-key decision):

To authorise the use of the updated discretionary fee charging schedule.

Reason for decision:

The proposal to implement a suite of charges to support the staffing resource in connection with delivering the

1. pre-application process
2. planning Performance Agreement (PPA)
3. Validation Process
4. CIL Process
5. Local Plan Charges and Additional charges

18 Housing development update

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, providing an update on the progress of the Council's housing delivery programme.

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

Resolved (Key decision):

(1) To note the progress of the Council's housing delivery programme as set out at Appendix 1 to the report.

(2) To approve the Cavalry Crescent development, making an allocation within the Housing Revenue Account (HRA) Capital Programme of up to £6m, and entering into a construction contract in accordance with the business case as set-out at the Exempt Appendix 2 to the report.

(3) To approve the Fort Lane development, making a revised allocation within the Housing Revenue Account (HRA) Capital Programme of up to £3m, and entering into a construction contract in accordance with the business case as set-out at the Exempt Appendix 3 to the report.

(4) To authorise entering into an Access Agreement to enable the Council to use the "Framework Agreement for the Provision of Modular Housing" dated 30th July 2021 between Lewes District Council and Boutique Modern Limited to call off contracts for off-site manufactured house building solutions, to aid in the delivery of the Capital Programme alongside other procurement routes.

(5) To authorise the Director of Regeneration and Planning, in consultation with the Portfolio Holder for Housing, also the Chief Finance Officer, to carry out all necessary actions to facilitate the recommendations including financing, appointment of professional services, award of contract, development, lettings, and determining the terms of, and authorising the execution of, all necessary documentation, in accordance with the business case(s).

Reason for decisions:

To progress the development of new homes across the borough to provide new affordable housing options.

19 Exclusion of the public**Resolved:**

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

20 Housing development update - Exempt Appendix 2 and 3

The Cabinet considered the exempt appendices in relation to agenda item 16 (Housing development update).

Resolved (Non-key decision):

That the exempt appendices be noted.

Reason for decision:

As detailed in minute 18.

Notes: (1) The appendices remained exempt. (2) Exempt information reasons 3 - Information relating to the financial and business affairs of any particular person (including the authority holding that information).

The meeting ended at 7.59 pm

Councillor David Tutt (Chair)

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Agenda Item 7

Body:	Cabinet
Date:	14 September 2022
Subject:	Corporate Performance Quarter 1 2022-23
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning Homira Javadi, Chief Finance Officer
Cabinet member:	Councillor Colin Swansborough, Cabinet member for climate change, place services and special projects Councillor Stephen Holt, Cabinet member for financial services
Ward(s):	All
Purpose of the report:	To update Members on the Council's performance against Corporate Plan priority actions, performance indicators and targets for the first quarter of the year 2022-23.
Decision type:	Non Key
Recommendation:	Cabinet is recommended to : <ul style="list-style-type: none">i) Note the achievements and progress against Corporate Plan priorities for 2022-23, as set out in Part A of this report.ii) Note the General Fund, HRA and Collection Fund financial performance for the quarter, as set out in Part B of the report.iii) Agree that £150k contribution be allocated from the unallocated resources to the Eastbourne Housing Investment Company Ltd. as set out in Part B - section 5.
Reasons for recommendations:	To enable Cabinet members to consider specific aspects of the Council's progress and performance.

Contact:

Luke Dreeling: Performance Lead
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Homira Javadi: Chief Finance Officer
Tel: 01323 485512 or e-mail
homira.javadi@lewes-eastbourne.gov.uk

1.0 Consultation

1.1 The priority themes in the Corporate Plan were developed in consultation with residents. Following the refresh of the Corporate Plan at Full Council in May 2022, a summary of achievements to date relating to the previous period of the plan (2020-2022) is set out in appendix 2 of this report.

2.0 Solution Sprints

2.1 The council made use of solutions sprints (SS) prior to the Covid-19 pandemic as a way of realising service and performance improvements. Work is underway to relaunch SS and activity this Quarter has included:

- engaging with representatives from the Managers' Reference and Staff Experience Groups to understand what worked well and less well with previous SS and seeking their ideas for improvements,
- Bringing together performance data with feedback received from customers within the Business Transformation Unit to identify additional areas of search for the refreshed SS.

Over the next Quarter, the process for relaunching SS will be finalised and the new approach will be piloted.

3.0 Financial appraisal

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

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

4.0 Assurance Review actions relating to performance

4.1 Alongside the usual quarterly performance reporting, we have recently completed a piece of work, as required by the CIPFA assurance review, to assess three categories of expenditure where it was felt that council expenditure may be out of line with other like authorities.

Having completed that review, we are satisfied that the council's spending in these areas has been reasonable and proportionate, when compared with other authorities.

5.0 Legal implications

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

6.0 Equality analysis

6.1 The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis.

7.0 Conclusion

7.1 This report provides an overview of performance against the authority's priority actions and indicators for 2022-23.

Appendices

Part A - Portfolio Progress and Performance

Appendix 1 – Q1 Performance Overview

Appendix 2 – Corporate plan achievements

Part B – Financial Performance

Appendix 1 – Housing Revenue Account

Appendix 2 – Capital Programme









Background Papers:

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











- Corporate Plan 2022/26 <https://www.lewes-eastbourne.gov.uk/about-the-councils/corporate-plans/>



















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Eastbourne Borough Council Corporate Performance Report Q1 2022-23









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

KPIs

KPI Description	Annual Target 2022/23	Q4 2021/22	Q1 2022/23				Latest Note
		Value	Value	Target	Status	Short Trend	
1. Finance: Percentage of Council Tax collected during the year - Eastbourne	96.80%	96.29%	28.22%	28.75%			The Collection rate is 0.53% below target this quarter and is 0.34% down from the same period last year. Analysis has identified that in the first quarter of 2021/22 8,300 reminder notices were issued compared to 9,651 reminders issued in Q1 this year which is an increase of 1,351. This suggests that the cost of living crisis is beginning to have an impact on more residents. To help lessen the impact the Income and Welfare teams continue to support the most vulnerable residents through the Governments Household Support Fund and Council Tax Energy Rebate Schemes.
2. Finance: Percentage of Business Rates collected during the year - Eastbourne	97%	96.44%	34.14%	29.53%			The collection rate is 4.61% above target. The increase is mainly due to the award of Covid Additional Relief Fund in the 2021/22 financial year to eligible businesses resulting in £1.7m in overpayments on 328 accounts which is most of the caseload. The credits have subsequently been transferred into the 2022/23 financial year on each account putting most businesses ahead of their current instalment plans.
3. Benefits: Average days to process new claims for housing/council tax benefit	22	21	28	22			The various government schemes that the team are having to administer, along with the need for staff to support the Contact Centre in answering calls, has led to the reduced performance. Resources to tackle new claims have been increased which should lead to an improved performance over the coming weeks and months.
4. Benefits: Average days to process change of circs (housing/council tax benefit)	6	6	8	6			Please see above comment
5. Customers: Increase the percentage of calls to the contact centre answered within 60 seconds	80%	35.95%	23.44%	80%			<p>Customer contact experienced a challenging and demanding start to the new financial year where, like previous years, the first quarter saw high levels of contact where unfortunately we were unable to meet our KPIs.</p> <p>Quarter 1 found us at 25.7% of all calls being answered within 60 Seconds – this was a 12.2% decrease from Quarter 4's 37.9%. The average wait time for a call is currently 8 minutes and 9 seconds.</p> <p>Although call volumes largely remained the same when compared to the previous Quarter, contact is of a more complex nature where Customer Advisors are spending longer on calls dealing with residents who are struggling financially due to the cost-of-living crisis. Advisors have been ensuring that all available information and resources are provided; this is both resources found internally within the Authorities, as well as signposting other 3rd party charities and organisations.</p> <p>In addition to this, due to how the recovery timetable and cycle works, the end of May and June can see some of the highest number of recovery reminders being sent out for Council Tax and Business Rates. With residents struggling with the rise in the cost of living, recovery action is generating more contact and of a complex nature as households find themselves struggling to keep up with instalments.</p> <p>During the 1st Quarter, we had 10 New starters join the team, in addition to those who were already in training. This has meant that although we are slowly reducing the overall number of vacancies, we are currently in a position where a large proportion of the team who are not covering other service areas other than phones, are currently paired and assisting with the</p>

KPI Description	Annual Target 2022/23	Q4 2021/22	Q1 2022/23				Latest Note
		Value	Value	Target	Status	Short Trend	
							<p>training. This results in our trained and experienced staff not being able to work at full capacity in answering calls as they navigate and train New Starters on our systems and processes.</p> <p>Recruitment continues at pace within Customer Contact as we try and fill our remaining vacancies, where during Quarter 2 we will start to see our New Starters becoming more confident in their learning and handling contact themselves. Our focus remains on balancing the need to answer calls as quickly as possible, coupled with ensuring that all customers and residents receive the assistance they need and leave the call with as much information and support available.</p>
6. Customers: Reduce the numbers of abandoned calls to the contact centre - Ebn	5%	15.56%	27.49%	5%			Please see above comment
7. Housing: Number of households living in emergency (nightly paid) accommodation	Data only	144	169	Data only			The increase shown can be attributed to the cost of living crisis and customers falling into rent arrears.
8. Customers: Number of new sign-ups to the Councils' social media channels	650	1,002	631	162.5			The number of new followers of the council's social media profiles continues to grow, with Q1 2022-23 being close to double the figure in the same period in the previous year.
9. Customers: Number of people registering for our email service (GovDelivery)	2,000	5,124	1,532	500			PI remains ahead of target
10. Customers: Percentage of local searches that are returned within 10 working days of receipt	80%	100%	100%	80%			Q1 performance above target. 350 out of 350 local searches returned within 10 working days.
11. Growth: Town centre vacant retail business space	11.8%	10.02%	10.17%	11.8%			National vacancy levels have dropped to 11.2% from 11.8%. Whilst local vacancy levels have increased marginally from 10.02% to 10.17.17%.
12. Housing: Average void relet time key to key (month & YTD)	20.0	51.2	48.4	20.0			<p>There is a strong focus on Voids for this year; including an improvement plan following impact from Covid, as this has caused a backlog.</p> <p>Still issues present for some materials and the supply chain, which is being dealt with by Property Services.</p> <p>A review of the processes, housing register and hard to let voids in progress.</p> <p>In person visits are being re-introduced for moving out inspections and viewings now it is safe to do so.</p>
13. Housing: DFGs - Time taken from council receiving a fully complete application to the council approving the grant	14 days	5 days	4 days	14 days			Performance remains above target, continuing a positive trend from 2021/22.
14. Housing: Number of Licensed HMO's Inspected per Quarter	50 (12.5 Quarterly)	0	4	12.5			We have had difficulties in recruiting staff who can carry out HMO inspections. In Q1 we had one Officer, but in August we were able to recruit 2 Agency staff for 6 months, 1 for HMO inspections and 1 for Private Housing Service requests.

KPI Description	Annual Target 2022/23	Q4 2021/22	Q1 2022/23				Latest Note
		Value	Value	Target	Status	Short Trend	
15. Housing: Rent arrears of current tenants (expressed as a percentage of rent debit)	3%	3.37%	3.44%	3%			Rent arrears are 0.44% below target. Since April the arrears have decreased by £19,542.. We are currently exploring options with our rent arrears optimisation software supplier Mobysoft, at ways in which we can improve rent arrears collection through improved enhancements to software which will further reduce the arrears. Additional negotiation skills training will be delivered to the team in the coming months to enhance skill levels within the team.
16. Planning: Increase the percentage of Major Planning Applications processed within 13 weeks	65%	83%	80%	65%			Continues to be above target
17. Increase the percentage of minor planning applications processed within 8 weeks	75%	91%	85%	75%			Continues to be above target
18. Increase the percentage of other planning applications processed within 8 weeks	75%	89%	85%	75%			Continues to meet target
19. Recycling & Waste: % Container Deliveries on Time (SLA)	99%	27.99%	51.4%	99%			<ul style="list-style-type: none"> April = 30.3% May = 49.7% June = 74.2% <p>Q1 Monthly Average = 51.4%</p> <p>Significant improvement has been achieved as the supply chain stabilised and we are able to access more new containers. The SLA for time to deliver Containers has been changed from 5 working days to 10, our website has been updated so the customer is aware. This allows SEESL to manage both the supply chain and increased demand, especially for recycling containers as Alternative Weekly collection drives improved recycling.</p>
20. Recycling & Waste: Missed Assisted Collections	1%	0.31%	0.14%	1%			<p>SEESL has complete a review of all assisted collection customers meaning significant number of customers not entitled to the service have been removed, 43,236 collections per quarter to 20,771 collections per quarter (not customers)</p> <p>April = 0.4%</p> <p>May = 0%</p> <p>June = 0%</p> <p>A significant improvement.</p>

KPI Description	Annual Target 2022/23	Q4 2021/22	Q1 2022/23				Latest Note
		Value	Value	Target	Status	Short Trend	
21. Recycling & Waste: Number of missed bins (per 100,000)	100	43	100	100			<ul style="list-style-type: none"> April = 29 May = 39 June = 32 Q1 monthly Average = 33 Quarter total = 100
22. Recycling & Waste: Percentage of household waste sent for reuse, recycling and composting	45.00%	32.94%	32.94%	45.00%			<p>Holding figure until data from ESCC is available</p> <p>Average from Q4</p> <ul style="list-style-type: none"> April = TBC May = TBC June = TBC
23. Recycling & Waste: Total number of reported fly-tipping incidents	480	196	201	120			<p>Reported incidents breakdown: April 60, May 70 and June 64.</p> <p>Hotspot wards: Devonshire, Hampden Park and Langney.</p> <p>Primary waste types: Other household waste, Construction / demolition / excavation</p> <p>Top 3 by volume type: Car boot load or less, Small van load and Other single item</p>
24. Staff: Average days lost per FTE employee due to sickness (J)	8.0 days	2.27 days	1.62 days	2.0 days			<p>This is the first quarter of reporting average days lost due to sickness for 2022/23. Despite all previous pandemic restrictions having been lifted prior to the start of Q1, we recorded an average of just 1.62 days absence which is a fairly significant reduction from Q4 (2.27 days). Absences for Covid-19 (those staff reporting symptoms) for Q1 reduced by more than half from 85 in Q4 to 40 in Q1.</p> <p>The figure of 1.62 days for Q1 puts us on track to meet our annual target of 8 days per annum.</p> <p>Taking into account LDC Waste Services, when excluded, the Q1 figure reduces to 1.36 days and Waste Services on its own is 3.37 days, which again is a reduction from the previous quarter from 4.25 days in Q4 for Waste Services.</p> <p>HR Business Partners continue to support managers in managing any attendance issues that arise.</p>

Projects

Project / Initiative	Description	Target completion
Winter Garden Improvements	Upgrade of the Winter Garden including use of recent central government grants	Q3 2022/23
Sovereign Centre Review	Under review	To be confirmed
Hampden Retail Park	The acquisition and development of Hampden Retail Park as part of the Property Acquisition and Investment Strategy (PAIS).	Ongoing. Phase 1 ended March 2022.

Devolved ward budget scheme 2022/2023 – Summary by ward to end of Quarter 1 (1 April – 30 June 2022)

Ward	Project	Description	Project Spend to Date
Devonshire	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0.00
Hampden Park	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0.00
Langney	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0.00
Meads	St Johns Church Jubilee BBQ	To help St John's Church put on a Jubilee BBQ for residents.	£1,011.24
	360 Camera Vision for Eastbourne	To help buy a 360 camera for use by a number of different Eastbourne community projects.	£456.00
Total spend to end of Quarter 1			£1,467.24
Old Town	Bridge repair in Motcombe Gardens	Repairs to bridge in Motcombe Gardens.	£400.00
Total spend to end of Quarter 1			£400.00
Ratton	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0.00
St Anthony's	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0.00
Sovereign	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0.00
Upperton	Hanging baskets	Funds to Eastbourne Allotments to provide hanging baskets for Crown Street	£239.77
	Cordless drill for Grow Eastbourne	To provide a cordless drill for use by the volunteer group Grow Eastbourne	£70.00
Total spend to end of Quarter 1			£309.77
Number of schemes to end of Quarter 1			5

All wards total spend to end of Quarter 1

£2,177.01

Part A – Appendix 2

Achievements against 2020 – 2024 Corporate Plan

Set out below are some of the main key highlights achieved within the first two years of the corporate plan;

Customer charter

- Delivered **consistently high levels of customer service** – including throughout the pandemic
- **Delivered Community Hub Helpline** and related wraparound services during Covid – including working DEFRA to provide priority shopping slots
- Successfully implemented systems to pay **CV-19 Business Grants** paying out £22.3m to 4,400 businesses, and **Retail, Hospitality and Leisure Business Rate Relief** to 858 businesses totalling £39,038,750 since 2019/20
- **Test and Trace Support Payments** scheme paying out £347,000 to 694 residents
- **Developed Community Directory** to support Covid response
- Establishment of the **Social Value Charter**

Growth and prosperity

- **Congress theatre reopened** along with new **Welcome Building** to provide comprehensive conferencing space
- Restoration of **Victoria Mansions**
- **Delivered Fishermen’s Quay at Sovereign Harbour**
- **Phase 2a of the Eastbourne Town Centre Movement & Access Package** - In partnership with ESCC agreed detailed design of scheme which runs from Bankers Corner to Bolton Road and Langney Road
- **REVO Award** – EBC won the Re:generate Gold Award for the regeneration of Eastbourne Town Centre for its unprecedented transformational change
- **Levelling Up Fund** – ‘Linking Town Centre Regeneration with a Strengthened Visitor Economy @Victoria Place and @Towner’ - £19.8m funding
 - **£7.623m to convert Victoria Place into a vibrant, pedestrianised cultural district**, including new green energy infrastructure, with awnings, lighting and heating; with excellent independent cafés and restaurants serving high quality, locally sourced food and drink all year round, also developing a night-time economy.
 - **£1.037m investment in the Towner’s Centenary project**, creating a number of legacy public artworks across the town that will provide an arts trail connecting the Seafront, Town Centre and SDNP, as well as enhancing gallery facilities to support the education and outreach programmes that will Eastbourne’s most disadvantaged communities.
 - **£11.186m to create a world-class culture and education centre at Black Robin Farm**, a former dairy farm set on the Downs above the town, connecting the SDNP with the Town Centre and Seafront and providing a new destination for c.100,000 visitors per year, space for

new businesses and work placements for young people during both the construction and operational phases.

- **Welcome Back Fund** – delivered a wide range of projects, events and initiatives with a total spend of £248k including:
 - Pop-up Park in Victoria Place, Town Centre Planters, Destination Boards, Afterlight Festival, Spring Rise Festival, LED Christmas Tree, Christmas Lighting Scheme, Son et Lumiere Music and Light Show, Winter Lantern Event, Arts Trail, 3D Heritage Trail.

Housing and development

- **335 homes developed across the town** (between April 2020 & March 2022), whilst 296 are under construction and a further 984 have planning permission.
- **Twelve affordable homes completed** (in 2021/22), including **10 x new homes as part of the grant funded Rough Sleepers Accommodation Programme**. A further 49 affordable homes with planning permission.
- **Reduced the numbers of homeless households** having to stay in emergency accommodation by almost a third – 116 household at the end of March 2022, compared to 148 households in March 2020
- **Solar Together scheme (autumn of 2021)**- to enable the installation of PV panels, battery storage and EV chargepoints within the able to pay private-sector housing market – likely to result in 60 PV installations, 25 domestic batteries and 20 EV chargepoints.

Quality environment

- **introduction of alternate weekly waste/recycling collections** - resulting in reduced waste fleet on the road and increased recycling rates (from a low of 31% in 2019/20 to a high of 41% in 21/22)
- **Electric vehicle charge point contract** in final stages of procurement
 - to install approximately 18 7kW charge points by the end of 2022 for the use of residents and medium/long-stay visitors.
- **15 new wildflower seed areas**, including turning an unused bowling green, into a wildflower meadow
- **Pevensey Bay to Eastbourne Coastal Management Scheme** (Environment Agency in partnership with EBC) - 100 million flagship coastal flood and erosion risk management project for Pevensey Bay to Eastbourne - will deliver protection to an estimated 10,000 residential properties as well as key infrastructure, local businesses, heritage sites and nature conservation areas.
- **Biodiversity strategy adopted in 2021**
- **Introduction of Reduce, Reuse, Recycle monthly bulletin** to 15,000 local mailboxes to influence recycling behaviours
- **Treebourne** – working with local residents to increase the number of trees in the borough

Thriving communities

- **Benefit processing times** - Average time to process new claims was 19 days in 2020/21 which was the best result in over five years as was the six day average time taken to process changes.

- **Council tax Hardship scheme** - awarded c£900k
- **Delivery of Sovereign Harbour Community Centre**
- **Changing Places Facilities Funding** – secured £140k to deliver facilities in The Congress Theatre, Sovereign Harbour Community Centre and Langney Shopping Centre
- **Walking Festival** held in September 2021
- **Litter and fly-tipping reduction strategy implemented**
- **£420k Safer streets fund project delivered** in Devonshire ward. Further funding awarded for Gildridge Park for 2022.
- **Distributed £233k Household Support Fund** between Dec 21 & March 2022, providing direct financial assistance to help over 1,000 residents through the cost of living crisis
- **Delivered access audits on council buildings and open spaces** and made access improvements as a result
- **Introduced ward level Community Safety action groups**

Best use of resources

- **Recovery and Reset programme** established to deliver savings and essential digital improvements
- **Implemented Chatbot digital assistant** on the councils' website

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Part B

Financial Performance Q1 2022/23

1 Introduction

- 1.1 The budget approved by Council in February 2022 was balanced over the medium term and was set based on a number of key assumptions including pay and cost inflation. Inflation had been calculated for premises and transport related costs including utilities, business rates and fuel based on latest market intelligence and CPI forecasts from Central Government. Whilst there were concerns about the rapidly rising levels of inflation, the advice at that time indicated a short term and sharp spike rise in inflation followed by a return to previously experienced levels by early spring.

The CPI has since nearly quadrupled which when coupled with the proportion of use and demand for consumables such as utilities, fuel, goods and services has created and continues to give rise to significant budgetary concerns.

UK CPI table

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2022	5.4%	6.1%	7.0%	9.0%	9.0%	9.4%	<u>10.1%</u>						
2021	0.7%	0.5%	0.7%	1.5%	2.1%	2.5%	2.0%	3.2%	3.0%	4.1%	5.1%	5.4%	2.6%
2020	1.8%	1.7%	1.5%	0.8%	0.6%	0.6%	1.1%	0.2%	0.6%	0.7%	0.4%	0.6%	0.9%

The Council operates Directorate cash limited budgets and Corporate Management Team/Directors are responsible for ensuring that appropriate action is taken to contain both revenue and capital spending in line with the directorate's overall budget limit. The challenges facing local residents as a result of the cost of living crisis are very real and very urgent. The council cannot singlehandedly resolve these complex and national level issues. There has been a wave of authorities at every level that have revealed their budget plans are in pieces due to the huge spike in costs since April 2022 and authorities across the country are not immune to the national financial pressures while facing increasing demand and increasing cost pressures.

- 1.2 Various authorities are dealing with a very difficult set of circumstances currently and face a real challenge to balance the budget this year, while forecasting a significant overspend with the main causes being record inflation levels, soaring energy prices, pay deal for staff, etc. This is the reality for councils across the country at the moment and it has been widely reported that inflation, energy costs and other current challenges are predicted to lead to £2.4bn in extra cost pressures to councils this year alone, rising to £3.6bn in 2024-25. Therefore, there might be a need for various authorities including this Council to lobby the Government for additional supports.

Another critical issue for the council is that its capital projects are facing an uncertain future due to the increase in material costs. It is too early to have a clear view of the impact of the inflationary pressures while the assumption is that stand-alone projects that are already in-progress will be delivered as planned but that future projects that have not yet started may need to be re-evaluated. In the same way households are struggling with rising costs, it is also becoming more and more expensive for the council to provide the services that people need. This comes at a time when the

Council's budgets are already under immense strain, with savings already required due to the impacts of austerity and the pandemic.

- 1.3 Through the Priority Based Budgeting approach, each area of the Council's expenditure was scrutinised, and a range of ongoing budget reduction options were prepared for members' consideration. Some of the proposals will deliver a level of budget reduction in the current financial year, whilst others will yield savings, or increased income generation for years to come. Future budget setting will be taking into consideration current financial pressures and challenges due to ongoing inflation trajectory. The Council has a robust governance process for tracking delivery of agreed savings through the Recovery and Stabilisation Programme meetings, whilst work is still underway to assess developed savings plans.
- 1.4 The Council's overall annual revenue spend is managed and monitored across a number of areas and at Quarter 1, the budget holders are forecasting a risk of overspend of approximately £0.958m (as shown within the table below), which CMT should in the first instance set out in-service options for mitigation. Where these are considered undeliverable, or pressures cannot be contained across the directorate the budget monitoring/scrutiny process will be triggered and a request may be made for the Cabinet to consider granting a supplementary estimate redirecting funds from an alternative source.
- 1.5 Through careful planning and re-profiling during the 2021/22 year-end, the Council has been able to provide resilience by setting aside specific reserves to address ongoing Cost of living, Inflation, Fuel & Energy Cost and Bad debt along with carry forwards, £1.3m of these have been brought into the position as one-off funding to provide relevant immediate support.

2 General Fund

- 2.1 The General Fund projected out-turn for 2022/23 as at 30.6.22, quarter 1, is shown in the summary table 1 below, as an overspend against budget of £958,910:

Table 1: Summary of projected out-turn as at Quarter 1	Budget 2022-23	Actual & committed	Projected Outturn	Projected Variance at year end
	£	£	£	£
Corporate Services	3,824,350	2,717,480	3,848,450	24,100
Service Delivery	7,538,650	5,161,283	7,723,164	184,514
Regeneration and Planning	(51,850)	2,239,529	1,049,368	1,101,218
Tourism and Enterprise	2,203,550	534,168	2,252,628	49,078
Net Cost of Services	13,514,700	1,216,461	14,873,610	1,358,910
Other Operating Income & Expenditure	487,450	249,351	237,450	(250,000)
Capital Financing	2,103,400	442,414	1,953,400	(150,000)
Transfer from reserves *		0		0
Net Budget	16,105,550	1,908,226	17,064,460	958,910

- 2.2 The projected out-turn for 2022/23, advised by budget holders as of 30 June 2022 is an overspend against budget of £958,910.

Some of the provisions from 2021/22 were carried forward due to reprofiling and alignment of budget. Where applicable these have been incorporated into relevant budgets. These are for noting at this point and will be formerly updated as part of the mid-year revision and budget setting process.

The residual projected overspend of £958k, in the main is due to the anticipated impact of price inflation for energy costs, currently projected at an additional cost of £500k, increased cost of goods and services and pressures in regeneration and planning, which are explored further below.

Inflation is currently at over 10% and is expected to rise to over 13% by October 2022, fuel prices continue to be the main contributor to this. The bank of England has increased base rates to the highest they have been in over 13 years impacting the cost of borrowing and impacting mortgage interest rates.

The impact on consumer spending power, and bad debts is uncertain especially on income targets in areas such as Tourism, hospitality and Culture which are still recovering from Covid, due to careful planning in 2021/22 we have been able to mitigate against this impact of inflation, pending delivering of solutions and savings.

We afforded and set aside reserves as at 2021/22-year end to provide resilience and as a result we have been able to bring into position £1.322m of one of funds to support 2022/23 position, this affords us a little more time to see delivery of recovery and stabilisation programme and to deliver more efficiency plans to mitigate inflationary impact. Tourism and Culture. has been supported from £755k of one-off funds from earmarked reserves.

Planning have required reserves of £204k to afford the local plan which is required every 4 years. £90k of BCF carry forward has been brought forward to support the service and bottom line and £250k to support increased energy costs are shown in the position to support the pressure on fuel.

The budget includes savings targets of £3.294m, which have been deducted from the relevant service, some alternatives will need to be found and solution to the predicted overspend will need to be considered to deliver a balanced budget by 31 March 2022 and to deliver a balanced budget for 23/24.

Key variances are set out in the following table:

2.3 Corporate Services, projected overspend £24,100:

Corporate Services	Budget 2022-23	Actual & committed	Projected Outturn	Projected Variance at year end
	£	£	£	£
Corporate Management Team	79,850	728,624	79,850	0
Financial Services	1,265,400	(560,981)	1,274,700	9,300
Human Resources	370,250	322,126	376,850	6,600
Total Information Technology	1,204,600	2,103,624	1,175,000	(29,600)
Total Legal	248,450	(249,775)	248,450	0
Total Local Democracy	741,550	406,841	779,350	37,800
Local Land Charges	(85,750)	(32,980)	(85,750)	0
Corporate Services	3,824,350	2,717,480	3,848,450	24,100

Corporate Services are showing a small projected overspends due to:

Financial Services £9k due to staff Agency costs

Human resources £6k due to increased training costs

Information Technology (£29k) savings on staff and server costs

Democratic services £37k unfunded role

2.4 Service Delivery, projected overspend £184,514:

Service Delivery	Budget 2022-23	Actual & committed	Projected Outturn	Projected Variance at year end
	£	£	£	£
Director of Service Delivery	15,700	50,007	15,101	(599)
Customer First	273,800	345,028	291,433	17,633
Customer Contact	671,400	538,817	680,588	9,188
Neighbourhood First	57,900	(82,474)	180,959	123,059
Case Management	345,800	289,612	392,677	46,877
Account Management	(37,800)	(53,093)	(37,800)	0
SA-Licensing, Cemeteries, Coast Protection	1,453,700	654,156	1,496,974	43,274
Specialist Advisory - Revenues	1,402,600	1,282,409	1,447,501	44,901
Specialist Advisory - Waste	4,426,450	1,177,543	4,424,571	(1,879)
Bereavement Services	(1,236,700)	(179,397)	(1,232,114)	4,586
Homes First - Solarbourne	(200,750)	64,705	(200,750)	0
Homes First - Head of Service	29,850	302,786	29,850	0
Homes First - Housing Strategy	3,000	23,380	3,000	0
Homes First - Customer Experience	0	212,618	0	0
Homes First - Housing needs and standards	333,700	127,510	231,174	(102,526)
Homes First - Housing Property Services	0	(0)	0	0
Service Delivery	7,538,650	5,161,283	7,723,164	184,514

The service is predicting overspends against staff costs, and pressure with cost of placements for homeless, details of which are shown below:

Customer First £17k, due to salaries over budget.

Neighbourhood First £123k, due to salaries over budget

Case Management £47k due to agency staff costs

Licensing, Cemeteries and Coastal Protection £43k mainly due to Ash die back

Revenues £44k, due to staff costs

Housing Needs and Standards (£102k), increased cost of rough sleepers' placements of £123k, increased spot purchase rates of B&Bs £50K and increased cost of agency staff £73k, which is being offset by anticipated one off £350k of additional BCF.

Please note the £20k of carry forward from 2021.22 which is to fund litter and dog waste bins and an allocation of £90k of BCF from reserves.

2.5 Regeneration and Planning projected overspend of £1,101,218

Regeneration and Planning	Budget 2022-23	Actual & committed	Projected Outturn	Projected Variance at year end
	£	£	£	£
Service Management - Director	42,750	86,343	43,000	250
Business Planning and Performance	506,000	352,896	489,500	(16,500)
Planning	390,700	1,153,607	579,510	188,810
Asset Management	(1,260,150)	98,204	(757,000)	503,150
Housing Delivery	118,600	417,578	153,800	35,200
Facilities	(68,400)	(102,319)	247,100	315,500
Regeneration	218,650	233,219	293,458	74,808
Regeneration and Planning	(51,850)	2,239,529	1,049,368	1,101,218

Regeneration and Planning is anticipating significant pressures within its service delivery.

Planning £188k includes £108k of salary pressure and £40k loss of income, and £40k set aside for compensation. Please note £204k of consultancy costs to deliver the Local Development Framework is funded from reserves in the position.

Asset Management £503k, includes increased fuel costs of £227k. Please note the release of £250k from reserves and carry forwards for fuel cost pressures is in the position.

Pressures of £554k are against vacant properties within investment properties, further investigation is required to establish a better solution, the position includes £28k of additional income on downs water supply.

Housing Delivery £35k due to reduced income

Facilities £315k - Grove Road £216k overspend is showing due to £130k duplicate savings target left here, £46k maintenance and £40k energy increases. Town Hall £65k pressures including £25k security costs unfunded, reduced lettings income of £27k and £13k increased maintenance costs & £33k on College Road Offices. Further investigation is ongoing to find solutions.

Regeneration: £74k has been shown as anticipated revenue spend, further investigation is required to establish if this is revenue as the levelling up grant is a capital grant and therefore this expenditure is not funded.

Please note in addition to £204k of reserves to fund the local plan there is a small carry forward of £3k for the community environment Partnership

2.6 Tourism and Enterprise projected overspend of £49,078

Tourism and Enterprise	Budget 2022-23	Actual & committed	Projected Outturn	Projected Variance at year end
	£	£	£	£
Towner	420,400	413,880	420,400	0
Tourism and Enterprise	795,450	86,858	789,150	(6,300)
Events	377,700	230,755	397,150	19,450
Theatres	59,950	(748,700)	412,650	352,700
Sports Delivery	605,900	408,401	608,650	2,750
Seafront	51,450	65,065	140,450	89,000
Heritage	67,400	34,487	102,650	35,250
Tourist Information	172,850	53,035	257,150	84,300
Catering	(347,550)	(9,612)	(120,000)	227,550
Transfer from Reserves		0	0	(755,622)
Tourism and Enterprise	2,203,550	534,168	2,252,628	49,078

As above there are a few small variances both positive and negative which should be manageable over the year however larger variances are as follows:

Theatres £352k – off which £254k pressure from unfunded staff costs following re-structure, £68k staff costs relating to Devonshire Park Theatre and £45k pressure anticipated due to delayed opening Winter Gardens to live music events. The savings target of £500k for VAT exemption is delayed and alternative are being found.

Sports Delivery is on target.

Seafront £89k Increased income of £38k for Beach Huts is being offset against £53k of increased staff costs, ice-cream sales no achievable income of £35k and the close of Redoubt Event with £28k of increased costs and bandstand £11k.

Heritage £35k due to beachy Head story predicted reduced income.

Tourist Information £84k is due to increased staff costs.

Catering £227k The Stage Door is anticipated £84k of increased staff costs, EDGC catering is anticipating £30k of additional staff costs, The Beer Festival is anticipating reduction to income target of £15k & Devonshire Park Theatre is expecting £46k less income due to reduced audiences. ILTC are expecting reduced income of £40k, with several small overspends of £12k.

Please note the transfer of £755k, one off, from earmarked reserves, to support the service against the impact on income from anticipated pressure from inflation and reduced spending power of customers.

2.7 Other Operating Income (£250,000) and Capital Financing (£150,000) and Reserves* (£1,322,622)

Other Operating Income and Capital Financing & Reserve movements	Budget 2022-23	Actual & committed	Projected Outturn	Projected Variance at year end
	£	£	£	£
Contingencies	250,000	0	0	(250,000)
Precepts and Levies	237,450	249,351	237,450	0
Other Operating Income & Expenditure	487,450	249,351	237,450	(250,000)
Capital Financing	2,103,400	442,414	1,953,400	(150,000)
Transfers from Reserves *		0	0	
Other				
Capital Finances and Reserves	2,103,400	442,414	1,953,400	(150,000)

Contingencies of (£250k) this budget has no commitments against it and has been fully released to support the bottom line.

Capital Financing (£150k) The savings target is £300k, but £375k was fully delivered in 21/22, with a further £75k further savings anticipated. Further work is being undertaken on the cost of capital, due to impact of increased interest rates.

Transfer from Reserves * Please note the transfer from Reserves and carry forwards of £1,322,622m have been incorporated into relevant budgets. These are for noting and will be formally updated as part of the mid-year revision and budget setting process.

3 HRA

3.1 HRA performance of the quarter is as follows:

The budget is set at £3.093m with a forecast out-turn at £3.063m with the variance being unallocated contingency of £30k

Details can be found at Appendix 1

4 Reserves

4.1 Please note reserves are pending statutory accounts and audit and remain compliant with the newly introduced reserve policy of increasing financial resilience.

Through careful planning and re-profiling in 2021/22-year end, we were able to provide resilience in the form of Cost of living, Inflation, Fuel and Energy Cost and Bad debt earmarked reserves along with carry forwards, £1.3m of these have been brought into the position as one off funding to provide support the position, which is being impacted from the cost of living. Ongoing work will support delivery of savings and efficiencies to mitigate the long-term impact of pay and inflation.

Please note the request for approval for a contribution of £150k contribution to EHIC.

5 Eastbourne Housing Investment Company Ltd. (EHICL)

- 5.1 Eastbourne Housing Investment Company Limited is a private company limited by shares incorporated in England and the principal activity of the Company is the development of housing stock and the letting of commercial and residential properties.
- 5.2 The Council has benefited by using the EHICL properties rather than the traditional temporary accommodation to avoid significant increase in homelessness expenditures/costs, which has led to achieving a reasonable budget savings. EHICL has requested for a financial contribution (i.e., approximately £150k) in the light of the support provided to the Council's homelessness crisis during the pandemic. This request can be funded from the Council's unallocated resource on the basis that the Council made reasonable savings on emergency/temporary accommodation.

6 Capital Expenditure

- 6.1 The capital programme provides an analysis of spend for quarter 1 compared to the updated budget for 2022/23 and the total spend for each scheme as at 30 June 2022. The current Q1 expenditure totals £1.5m against the latest programme of £41.4m. Additional comments are provided for each scheme within the attached Appendix 2.

Summary - Capital Programme	Original 2022-23	Updated 2022-23	Q1 Spend 2022-23	Q1 variance to updated budget
	£000	£000	£000	£000
Housing Revenue Accounts	18,210	20,147	676	(19,471)
Other Housing	1,460	3,088	279	(2,809)
Community Services	2,145	2,974	139	(2,835)
Tourism & Leisure	150	107	3	(104)
Corporate Services	3,381	3,973	249	(3,724)
Regeneration	6,371	7,012	0	(7,012)
Asset Management	3,765	4,165	121	(4,044)
Total HRA & General Fund	35,482	41,466	1,467	(39,999)

- 6.2 The 2021/22 capital outturn was reported to Cabinet in July 2022 and the result of that was that there was programme slippage into 2022/23 of £5.98m. This, along with the approved budget and updates since that date, mean a programme of £41.46m for the current year as summarised in the table above.
- 6.3 At the end of Quarter 1 the spend against year 1 of the programme was very low and it is too soon to forecast what level of slippage we might anticipate into future years, but it is unlikely that all aspects of the programme will be deliverable this year and so this will be kept under continuous review by the Capital Programme Overview Board (CPOB).

7 Treasury Management

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

Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2022/23 which includes the Annual Investment strategy, was approved by the Full Council on Wednesday, 9 February 2022. It sets out the Council's investment priorities as being:

- Security of Capital;
- Liquidity;
- Yield.

Approved limits within the Annual Investment Strategy were not breached during the period ending 30 June 2022, except for the balance held with Lloyds Bank, which exceeded the £5m limit for 11 days during the period.

- 7.2 The Council's debt and investment position is organised by staff within Financial Services in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.
- 7.3 In a relatively short period since the onset of the COVID-19 pandemic, the global economic fallout was sharp and large. Market reaction was extreme with large falls in equities, corporate bond markets and, to some extent, real estate echoing lockdown-induced paralysis and the uncharted challenges for governments, businesses, and individuals.

7.4 Fixed Term Deposits which have matured in the reporting period

The table below shows the fixed term deposits which have matured between 1 April to 30 June 2022, in maturity date order. It is important to note that the table includes sums reinvested and that in total the Council's investments have not increased by £65.7m over this period.

Counterparty	Date From	Date To	Days	Principal £'000	Int. Rate %	Long-term rating
					%	
DMO	18/03/2022	19/04/2022	32	1,500	0.55	*
DMO	22/03/2022	05/04/2022	14	1,000	0.55	*
DMO	30/03/2022	01/04/2022	2	7,000	0.55	*
DMO	01/04/2022	11/04/2022	10	8,000	0.55	*
DMO	06/04/2022	14/04/2022	8	4,000	0.55	*
DMO	14/04/2022	28/04/2022	14	3,500	0.55	*
DMO	19/04/2022	26/04/2022	7	3,000	0.55	*
DMO	20/04/2022	25/04/2022	5	2,000	0.55	*
DMO	26/04/2022	03/05/2022	7	4,000	0.55	*
DMO	29/04/2022	04/05/2022	5	5,000	0.57	*
DMO	03/05/2022	17/05/2022	14	3,500	0.81	*

DMO	04/05/2022	11/05/2022	7	3,000	0.82	*
DMO	11/05/2022	20/05/2022	9	5,000	0.80	*
DMO	24/05/2022	21/06/2022	28	2,000	0.88	*
DMO	01/06/2022	22/06/2022	21	4,200	0.86	*
DMO	07/06/2022	28/06/2022	21	2,500	0.94	*
DMO	22/06/2022	24/06/2022	2	6,500	1.05	*
Total				65,700		

***UK Government body and therefore not subject to credit rating**

7.5 Use of Deposit accounts

In addition to the fixed term deposits, the Council has made use of the following interest-bearing accounts in the period covered by this report, with the average amount held being £2.96m generating interest of approximately £7.6k.

	Balance at 30 June 2022 £'000	Average balance £'000	Current interest rate %
Santander Business Reserve Account	1,248	2,120	0.01
Lloyds Bank Corporate Account	10	1,795	0.05
Lloyds Bank Call Account	4,000	4,954	0.50

7.6 TM Borrowing – Q1 2022/23

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

- **Rescheduling** – no debt rescheduling was carried out during the quarter as there was no financial benefit to the Council.
- **Repayment** – none between 1 April and 30 June 2022

7.7 **Borrowing** – The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. No new loans were drawn down from PWLB (Public Works Loan Board) during the quarter to fund the net unfinanced capital expenditure and/or to replace maturing loans. Various temporary loans were taken to cover cash flow requirements. All loans drawn were for fixed rate as detailed within the table below.

Lender - Temp Debt	£m	Start Date	End Date	Rate
Loans held:				%
West Midlands Combined Auth.	10,000	21/01/2022	20/01/2023	0.25
Hyndburn BC	2,000	28/02/2022	27/02/2023	0.70
Middlesbrough Council	5,000	11/03/2022	29/07/2022	0.79
Greater Manchester Pension Fd.	5,000	21/03/2022	22/08/2022	0.70

Northern Ireland Housing Exe.	10,000	20/06/2022	19/06/2023	1.20
West Yorkshire Combined Auth.	5,000	23/05/2022	09/05/2023	1.20
Loans repaid:				
Middlesbrough Teeside Pension	5,000	22/11/2021	23/05/2022	0.04
Rotherham MBC	2,000	16/03/2022	16/06/2022	0.75
Northern Ireland Housing Exe.	7,000	20/09/2021	20/06/2022	0.07
Swansea City & County	5,000	01/03/2022	24/06/2022	0.57

7.8 Interest Rate Forecast

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 21st June is compared below to the previous forecast (10th May). A comparison of these forecasts shows that PWLB rates have increased generally and show a speed up in the rate of increase in Bank Rate as inflation is now posing a greater risk. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally as inflation concerns abound. To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but without pushing the economy into recession.

Links current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities.

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

Link Group Interest Rate View 10.5.22													
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.25	1.50	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
3 month ave earnings	1.20	1.50	1.70	2.00	2.00	2.00	2.00	2.00	1.70	1.70	1.70	1.70	1.70
6 month ave earnings	1.60	1.90	2.10	2.20	2.20	2.20	2.20	2.10	2.00	1.90	1.90	1.90	1.90
12 month ave earnings	2.00	2.20	2.30	2.40	2.40	2.30	2.30	2.20	2.20	2.10	2.10	2.10	2.10
5 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.50	2.50	2.50	2.50	2.50
10 yr PWLB	2.80	2.80	2.90	2.90	2.90	2.90	2.90	2.90	2.80	2.80	2.80	2.80	2.80
25 yr PWLB	3.00	3.10	3.10	3.20	3.20	3.20	3.10	3.10	3.00	3.00	3.00	3.00	3.00
50 yr PWLB	2.70	2.80	2.80	2.90	2.90	2.90	2.80	2.80	2.70	2.70	2.70	2.70	2.70

- LIBOR and LIBID rates ceased at the end of 2021. In a continuation of our previous forecasts, Links money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Links forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

7.9 Economic background

Following Russia's invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth. The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China.

In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). May data showed CPI edging higher to 9.1% while the core CPI rate, which removes energy, fuel and food was 5.9%. RPI rose to 11.7%.

The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate for April fell to 3.8% and is now below pre-pandemic levels. Pay growth was 6.8% for total pay (including bonuses) and 4.2% for regular pay; however, adjusted for inflation, growth in total pay was just 0.4%, whilst regular pay fell 2.2%.

Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was 0.8% in the January-March quarter and the Bank of England now expects a decline of 0.3% in Q2 2022.

8 Appendices

- 8.1
 - Appendix 1 – Housing Revenue Account
 - Appendix 2 – Capital Programme

EBC Housing Revenue Account 2022/23

HRA 2022/23	Original Budget £000's	Estimated Outturn £000's	Variance at Year End £000's
INCOME			
Gross Rents	(15,268)	(15,267)	1
Charges for Services	(1,087)	(1,087)	0
GROSS INCOME	(16,355)	(16,354)	1
EXPENDITURE			
Management Fee	8,077	8,077	0
Supervision and Management	1,931	1,932	1
Provision for Doubtful Debts	212	211	(1)
Depreciation	4,547	4,548	1
GROSS EXPENDITURE	14,767	14,768	1
NET COST OF HRA SERVICES	(1,588)	(1,586)	2
Loan Charges - Interest	1,720	1,720	0
Interest Receivable	(3)	(5)	(2)
NET OPERATING SURPLUS	129	129	0
Contribution to Capital Expenditure	2,934	2,934	0
Contingency	30	0	(30)
HRA (SURPLUS) / DEFICIT	3,093	3,063	(30)

HOUSING REVENUE ACCOUNT WORKING BALANCE	Original Budget	Projected Outturn
Working Balance at 1 April	(4,884)	(4,884)
(Surplus) or Deficit for the year	3,093	3,063
Working Balance at 31 March	(1,791)	(1,821)

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Line No.	Scheme	Original 2022-23	Updated 2022-23	Spend 2022-23 Q1	Q1 variance to budget	Comments
1	HOUSING REVENUE ACCOUNT					
2	Major Works	5,816	6,566	0	-6,566	
3	Sustainability Initiatives Pilot	160	160	0	-160	
4	Disabled Adaptations	450	450	0	-450	
5	New Build	8,419	9,606	635	-8,971	
6	Acquisitions	3,365	3,365	41	-3,324	
7	Total HRA	18,210	20,147	676	-19,471	
8	Other Housing					
9	EHIC - Loan Facility (Private Properties)	26	26	0	-26	Available for drawdown when required
10	EHIC - Mixed Tenure Properties	466	502	0	-502	Available for drawdown when required
11	AH - Credit facility	0	35	0	-35	Available for drawdown when required
12	AH - Facility	968	2,525	279	-2,246	Available for drawdown when required
13	Total Other Housing	1,460	3,088	279	-2,809	
14	COMMUNITY SERVICES					
15	Disabled Facilities Grants	1,200	1,856	95	-1,761	Q1 always slow, with a third of the budget generally spent in Q4
16	BEST Grant (housing initiatives)	0	15	0	-15	Anticipating a high demand for Boiler grants and budget to be fully spent
17	Coast Defences Beach Management	300	300	0	-300	Works planned for Autumn/Winter after the tourist season
18	Cycling Strategy	41	41	0	-41	This will contribute to the cycle routes ESCC has prioritised for Eastbourne. No progress in Q1.
19	Play Area Sovereign Harbour	0	27	0	-27	Awaiting transfer of land from developer
20	Refurbishment of Public Facilities	50	50	0	-50	Not yet progressed; any work likely to be in 2023/24
21	Langney Cemetery - Road Improvements	30	0	0	0	Completed in 2021-22
22	Ocklynge Cemetery - Road Improvements	15	0	0	0	Completed in 2021-22
23	Crematorium - Road Improvements	15	15	0	-15	Completed
24	Crematorium - Cesspit Replacement	37	36	0	-36	Waiting for final designs before tender
25	Crematorium - Chapel Improvements	120	120	1	-119	Work is due to start September. Currently at tender stage
26	SEESL Loan	73	254	0	-254	Available for drawdown when required
27	Waste & Recycling Equipment	198	194	43	-151	Bulk buy of bins ordered for delivery during 2021-22
28	5 Fleet Vans	66	66	0	-66	Completion expected in Q2
29	Total Community Services	2,145	2,974	139	-2,835	
30	TOURISM & LEISURE					
31	Sovereign Centre - Existing building	150	107	3	-104	Electrical work ongoing. Heating system upgrade being investigated.
32	Total Tourism & Leisure	150	107	3	-104	
33	CORPORATE SERVICES					
34	IT - Block Allocation	150	119	0	-119	
35	Contingency	250	230	0	-230	Available if schemes are identified
36	Recovery & Stabilisation	435	984	30	-954	
37	JTP Finance Transformation	100	186	0	-186	Implementation of Asset Register in progress
38	Retail Refurbishment	2,446	2,434	219	-2,215	
39	Sculpture	0	20	0	-20	Awaiting confirmation of location.
40	Total Corporate Services	3,381	3,973	249	-3,724	
41	REGENERATION (Levelling Up Fund)					
42	Black Robin Farm	3,780	4,079	0	-4,079	Surveys to feed into design underway. Pre-planning agreement in place with Southdowns National Park Planning Authority.
43	Towner Centenary Project	674	818	0	-818	Scheme currently on budget.
44	Victoria Place Pedestrianisation	1,917	2,115	0	-2,115	ESCC has agreed the scope of the detailed design work which will commence in Q2 and continue into Q3 and Q4 of 2022/23
45	Total Regeneration	6,371	7,012	0	-7,012	
46	Asset Management					
47	Winter Garden	1,500	951	0	-951	Developing facade design approach.
48	Dev Park Theatre (H&S)	0	83	0	-83	Quotes received; awaiting a start date.
49	Victoria Mansions Commercial	0	71	0	-71	Phase 2 is 90% complete and now final phase will commence when access allowed
50	Congress Theatre Roof	275	425	0	-425	Equipment tower installed. Scaffolding and access design ongoing. Some delays due to tennis.
51	Bandstand & Promenade Renovations	750	871	0	-871	Phase 1 works (hoarding and associated health and safety works) completed July 2022. Wider works to the Bandstand structure are being designed and will commence in late Autumn 2022.
52	EDGC Improvements (Workshop)	0	100	0	-100	Quotes for works received, work to commence Sept 22
53	Seafront Lighting	200	305	54	-251	Phase 1 (Wishtower to Pier) due for completion late Autumn 22. Phase 2 - Festoon lighting from Pier expected 2023/24
54	Leisure Estate	250	250	0	-250	Currently seeking Counsel advice on proposed transfer mechanism to CIC
55	Food Street	0	41	52	11	Works on target to complete in Q3. Additional external funding being sought to cover over spend
56	Asset Value Improvement Fund	300	300	0	-300	
57	Redoubt-mains supply for café and Fort	50	50	0	-50	Awaiting input from UKPN on new mains supply and Heritage England on proposals.
58	Town Hall	50	50	0	-50	Assembly Hall ceiling improvements are being organised. Also some external façade improvements.
59	The Point Improvements	30	30	13	-17	Spend so far on electrical improvements.
60	Stage Door - fire upgrade	20	20	0	-20	Works to be progressed imminently
61	ILTC - Improvements	0	64	0	-64	Work to stand joints - currently being organised
62	Towner Improvements	150	199	0	-199	Tenders received for roof works. Works due Autumn 2022.
63	Fort Fun	40	40	0	-40	Initial electrical statutory compliance works are underway
64	1 Grove Road	50	50	2	-48	Fire alarm works likely to be undertaken.
65	Asset Management - Block Allocation	100	265	0	-265	Available for allocation
66	Total Asset Management	3,765	4,165	121	-4,044	
67	General Fund	17,272	21,319	791	-20,528	
68	HRA	18,210	20,147	676	-19,471	
69	Total	35,482	41,466	1,467	-39,999	

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