



Corporate and Cultural Services

27 January 2014

## **Cabinet**

**Date:** Tuesday 4 February 2014

**Time:** 7:00pm

**Venue:** Council Chamber, Civic Centre, Ham Road, Shoreham-by-Sea

**Cabinet Membership:** Councillors Neil Parkin (Leader), Julie Searle (Deputy Leader), Pat Beresford, Keith Dollemore, Angus Dunn, Jim Funnell and David Simmons

## **Agenda**

The Chairman at the meeting has the discretion to vary the order of business on the agenda.

### **Part A**

#### **1. Declarations of Interest**

Councillors are invited to declare any disclosable pecuniary interests in relation to matters appearing on the agenda.

#### **2. Questions and Statements by the Public**

Members of the public are invited to ask questions or make statements about any matter for which the Council has a responsibility or which affects the District.

#### **3. Items Raised Under Urgency Provisions**

To consider any items the Chairperson of the meeting considers to be urgent.

**4. Housing Revenue Account – Budget 2014/15**

Report by the Executive Head of Financial Services and Head of Adur Homes, attached as item 4.

**5. Adur Homes Management Review**

Report by Head of Adur Homes, attached as item 5.

**6. Shoreham Harbour Regeneration – Draft Joint Area Action Plan for Public Consultation**

Report by the Executive Head of Planning, Regeneration and Wellbeing, attached as item 6.

**7. Adur Overall Budget Estimates 2014/2015 and Setting of 2014/2015 Council Tax**

Report by the Executive Head of Financial Services, attached as item 7.

**Part B - Not for Publication – Exempt Information Reports**

Nil

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**Duration of the Meeting:** Four hours after the commencement of the meeting the Chairperson will require the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.

**TITLE:                   Housing Revenue Account – Budget 2014/15**  
**REPORT BY:         Sarah Gobey Executive Head of Financial Services**

## **1.0     SUMMARY**

- 1.1     This report sets out financial arrangements for the Housing Revenue Account and asks Members to set the rent levels and service charges for 2014/15. The report also considers some of the issues emerging from 2015/16 onwards.

## **2.0     INTRODUCTION**

- 2.1     This report seeks to explain the main issues surrounding the budgets for the Housing Revenue Account to enable Members to set rent levels for 2014/15. It also provides more detailed explanations of housing finance issues for Members who require an understanding of some of those technical issues.
- 2.2     The Housing Revenue Account (HRA) pulls together the total costs and income of the Council in its provision of the Housing Landlord Service. This account is ring-fenced so that it is totally separate from the other income and expenditure of the Council.
- 2.3     From 1 April 2012 the Localism Act replaced the former complicated HRA subsidy system with a new self-financing regime. The new regime allows the Council more freedom to determine its own budget, albeit some financial restrictions still apply, most notably around the use of Right To Buy (RTB) capital receipts and prudential borrowing limits.
- 2.4     The Council is now able to retain all of its revenue housing income streams whereby previously it was required to pay over a significant proportion of it as subsidy to Central Government. The Council is required to operate the HRA on a sustainable basis at no detriment to the General Fund (and vice versa). To facilitate this the Council, as with all housing authorities, was required to produce from the start of 2012/13 a thirty year financial Business Plan showing how the HRA could be run on a self-financing basis. This report updates the Business Plan and informs members of the key budgetary assumptions which underpin the financial projections from 2014/15 onwards.
- 2.5     The setting of rent levels is now an integral part of the financial planning decision making process. Officers are recommending an average increase of 8%.
- 2.6     Additionally, this report updates Members on the changes to RTB and welfare benefits and the potential implications of these new arrangements.

### **3.0 SUMMARY EXPLANATION OF THE HRA SELF FINANCING REGIME**

- 3.1 As with many other local authorities the Council was required by central government on 28 March 2012 to effectively buy itself out of the former subsidy system by making a Self-Financing Determination Settlement Payment to the Department for Communities and Local Government (DCLG). For Adur the payment amounted to £51.185m and was funded by a loan from the Public Works Loan Board (PWLb), repayable in equal instalments over 30 years and at a rate of interest of 3.03%. The settlement amount was derived from the CLG's valuation of the Council's housing stock using a discounted cash flow model of the rental income and expenditure required to maintain the housing stock over the same period of 30 years.
- 3.2 From 1 April 2012, two significant elements of the HRA budget changed. Firstly, the requirement to make net subsidy payments to central government ceased, and secondly, HRA capital financing costs (formerly prescribed by statute, the Item 8 Debit) were replaced by an accounting cost apportionment methodology (the "two pool split") relating to past capital investment, plus the cost of new borrowing. These changes formed the most significant elements of the 30 year Business Plan, that was last updated for approval by the meeting of the Adur Cabinet on 5th February 2013. One year on, this report updates the estimates for all aspects of the HRA budget for 2014/15 onwards.
- 3.3 In order to regulate public sector borrowing, and coinciding with the introduction of self-financing, the DCLG imposed debt limits for housing authorities. The debt limit is recognised generally as a constraint on councils' ability to finance new affordable housing delivered via the HRA, and for Adur Council the limit is set at £68.912m. The limit comprises £51.185m for the debt incurred to pay the Settlement Payment to CLG, with the balance of £17.727m relating to an estimation of the Council's underlying need to borrow (as measured by the Housing Capital Finance Requirement or HCFR) at 1 April 2012.
- 3.4 As actual HRA debt was almost at the limit imposed at the start of 2012/13 financial year, the ability to take on new debt is reliant on repaying existing debt and creating some "headroom" below the limit. This is partly facilitated by the amount borrowed to fund the Debt Settlement Payment, as the repayments of principal are in equal instalments (EIP) over the loan term which results in additional headroom of £1.706m per annum being created. Additional headroom is also obtained by the repayment of other historic (i.e. pre 1 April 2012) HRA debt when it falls due. The expected headroom for new HRA borrowing at 1 April 2014 is approximately £3.9m.
- 3.5 The financing costs relating to new capital investment funded from borrowing consists of interest chargeable on the principal amounts outstanding, plus a provision (The Minimum Revenue Provision, or MRP) for debt repayments. The MRP is set aside to ensure that sufficient resources are provided to repay the principal amounts borrowed over the life of the investments achieved. The MRP is a voluntary and prudent provision in keeping with the Council's Treasury Management Strategy (Appendix 6). Both interest costs and MRP are charged into the HRA Comprehensive Income and Expenditure Statement so that they are ultimately financed by rental and other income. The budgeted estimates for financing costs in 2014/15 are disclosed in Para 7.2.

### 3.0 SUMMARY EXPLANATION OF THE HRA SELF FINANCING REGIME

- 3.6 Despite taking on a considerable amount of additional debt, the self-financing regime gives the Council the opportunity to address some long running concerns about the level of resources for the on-going maintenance of property and to finance a larger proportion of the capital programme from revenue which will ultimately save the Housing Revenue Account interest costs. These issues are discussed in more detail within the body of the report.

### 4.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY AND REFORM OF HOUSING BENEFITS

- 4.1 Council housing stock numbers are as follows:

	2012/13	2013/14	2014/15 (Estimate)
Stock at 1 <sup>st</sup> April	2,652	2,645	2,639
<b>Plus:</b> Additions - Note(1)	5	5	5
<b>Less:</b> Right to Buy sales	(12)	(11)	(20)
<b>Less:</b> Disposals	-	-	-
<b>Stock at 31<sup>st</sup> March</b>	<b>2,645</b>	<b>2,639</b>	<b>2,624</b>

*Note (1:)* These additions are the repurchase of previously owned council dwellings, and over time is intended to increase the housing stock to offset the impact of dwellings sold under Right To Buy.

- 4.2 In 2012/13, the first year of self-financing, 12 properties were sold compared to just 6 the year before. The signs are that despite the economic downturn and government's austerity measures of recent years, interest from tenants in the possible take up of RTB sales is increasing. This is possibly a reflection of the availability of increased purchase price discounts, and the impact of the Government's Help to Buy Scheme - which is being extended in 2014 to buyers of second hand properties. The propensity for sales to further increase is therefore real, although the consequential loss of rental income from these sales may in future be partly mitigated by the aim to purchase five flats per annum, as well as introduce a new build programme.
- 4.3 A depleting housing stock base means that the fixed costs per property increase and rental income available to fund these costs reduces. The level of capital receipts retained by the Council to replace the reducing housing stock base is limited due to the increase in the level of discount offered and the DCLG restrictions placed under the new RTB arrangements. Underpinning this constraint were the following principles contained in the March 2012 CLG publication "Reinvigorating Right To Buy and One For One Replacement – Information for Local Authorities"

#### **4.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY AND REFORM OF HOUSING BENEFITS**

- To increase the cap on Right to Buy discounts to 75% (Cash limit of £75,000) from 1 April 2012 to enable more people to achieve home ownership.
- To ensure that the receipts on every additional home sold under RTB is used to fund one to one replacement nationally (i.e. Councils are not required to demonstrate one for one replacement locally).

4.4 The RTB scheme applies to secure tenants and for 2013/14 the following discount levels for houses and flats applied:

- For houses, a 35% discount for tenants of 5 years. For every extra year the discount increases by 1%, up to a maximum of 60% – or £75,000 across England and £100,000 in London boroughs (whichever is lower).
- For flats there is a 50% discount for tenants of 5 years. For every extra year the discount increases by 2%, up to a maximum of 70% – or £75,000 across England and £100,000 in London boroughs (whichever is lower).

4.5 On 3 January, 2014 proposals were announced to raise the level of discounts further:

“In a deal that is currently being negotiated between the coalition partners, the chancellor is poised to announce he will raise English council borrowing limits in return for a further increase in right to buy discounts. It is understood the caps will not be removed entirely, but that there would be flexibility to increase borrowing headroom in areas of particularly acute housing need. To borrow more, it is thought councils will have to agree to meet specific conditions, such as committing to build new homes or improve estates” (source: Inside Housing Today)

4.7 Under these proposals the RTB maximum discounts of £75,000 for council houses outside of London would be increased by CPI inflation, making the discount nearer £77,000 (at Nov.2013 prices). The cash limit will still be capped, but the cap itself will also be increased from 60% to 70% of market value.

4.8 As a condition of being able to retain capital receipts arising from RTB sales, the Council entered into an agreement with the Secretary of State in 2012 whereby:

- (i) the retention of receipts only applies to the RTB sales above the number assumed each year in the HRA self-financing settlement. For Adur the original 75% central pooling arrangement continued for the first 4 properties sold post 1 April 2012, and thereafter is calculated in accordance with a CLG formula
- (ii) the Council use the receipts for the provision of “affordable” rented homes (i.e. those with rents up to 80% of market rents), albeit that in practice the Council may exercise discretion to set rent below this figure, and maybe as low as 65% in keeping with some housing associations;
- (iii) the retained share of receipts constitute no more than 30% of total investment in such homes (net of any contribution from another public body)

#### **4.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY AND REFORM OF HOUSING BENEFITS**

- (iv) the retained receipts are used within 3 years to provide new affordable homes, otherwise they will be required to be paid into the CLG pool plus accrued compound interest of 4%.

4.9 The RTB regulations allow the amount of RTB receipts to be pooled to be reduced by certain deductible items:-

- transactions costs
- any abortive costs of RTB applications
- an adjustment to take account of the change in the assumptions of RTB sales made in the DCLG Self-Financing Settlement valuation business model calculation

4.10 The rationale of the Government's framework is that it wants replacement homes provided for as quickly as possible, citing evidence from the 2011-15 Affordable Homes Programme that it should be possible to fund new homes let at affordable rent with no more than 30% of the cost of new homes coming from RTB receipts.

4.11 Although the Government have affirmed its policy of one for one replacement of every home sold under the RTB scheme, at December 2013 only been 1,662 replacements had been started for 10,954 properties sold – a ratio of 1 in 7.

4.12 The Welfare Reform Act received Royal Assent in March 2012 and introduced the most significant changes in the welfare system in over 60 years. The reforms reflect the Government's aim to reduce the cost of welfare benefits generally, and are being trialled in a number of areas, as the planned national implementation for new claimants and those with a change of circumstances from October 2013 has been delayed. Early experience suggests that the reforms will increase the financial pressures on some of the most vulnerable people of society, due to the introduction of caps on the amount of weekly benefit, including further reductions for under occupation, generally referred to as the 'bedroom tax'.

4.13 Also, for working age people, a Universal Credit will replace a number of former out of work benefits, including housing benefit, income support, job seekers allowance, income related employment and support allowance, child benefit, child tax credit, and carer's allowance. Universal Credits will be paid directly to claimants rather than the current arrangement of direct payment to the Local Authority as landlord. Hence the decision that benefit is to be spent on rent, as opposed to other expenditure, is in the hands of the individual recipient.

#### 4.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY AND REFORM OF HOUSING BENEFITS

- 4.14 Approximately 70% of Adur tenants (1,726 out of a total of 2,621 at 31 December 2013) are in receipt of benefits and it is likely that there will be pressures on rents and debt collection in future. In particular, the 'bedroom tax' is anticipated to affect 212 tenants (8% of all tenants) who will lose 14% of their housing benefit for the first spare bedroom, and 25% if they have two or more bedrooms unoccupied. Tenants who are no longer of working age (i.e. 62 and over) are exempt from these reductions. Initial enquiries with the tenants affected have revealed disparate reasons why some would not wish to move from their present accommodation. For example, some tenants have children of the opposite sex and would require larger accommodation in future, while others have specific disabled adaptations. However, a small minority of tenants appear to have no reason for remaining in under occupied accommodation, citing they were allocated a larger property for children who are no longer resident. In any event, the impact may adversely affect the projections for collections of arrears.

#### 5.0 THE HOUSING REVENUE ACCOUNT FOR 2014/15

- 5.1 The projected expenditure and income for the HRA in 2014/15 is as follows:-

	<b>Estimate 2014/15</b>
	<b>£'000</b>
Expenditure	12,828,470
Income	(13,394,530)
Net (Surplus)/Deficit for the year	(566,060)
Proposed contribution to /(from) reserves	566,060
Overall position for the year	-
Balance brought forward 1 <sup>st</sup> April, 2014	(2,108,313)
Balance carried forward 31 <sup>st</sup> March, 2015	<b>(2,108,313)</b>

More detailed estimates for the Housing Revenue Account for 2013/14 and 2014/15 are shown in Appendix 1.

- 5.2 These projections take into account the budget from 2013/14, which has been updated for inflation, capital financing costs in respect of debt, and proposed increased rent income together with the other proposed adjustments which are described more fully below.
- 5.3 The estimated outturn for 2014/15 shows a break-even position allowing for a contribution of £566,060 to a specific reserve introduced from 2012/13 for new development and refurbishment of Adur Homes' dwellings (see 14.4).



## 6.0 RENT SETTING FOR 2014/15

- 6.1 In 2002/03, as part of its Social Rent Reforms in the Local Authority sector, the Government introduced a mechanism to standardise the process for calculating rents.
- 6.2 The rent restructuring convergence policy objectives were that:
- (a) social rents should remain affordable and well below those in the private sector
  - (b) social rents should be fairer and less confusing for tenants
  - (c) there should be a close link between rents and the qualities which tenants value in properties
  - (d) differences between the rents set by local authorities and Registered Social Landlords (RSL) should be removed.

### Looking Back

- 6.3 From 2000/01 to 2012/13 rents at Adur District Council properties have been increased in line with Government guidelines for rent convergence, moving rents gradually towards target rents (known by CLG as formula rents). It was envisaged that rents should converge with those charged by housing associations by 2015-16, followed by rent rises at Retail Price Index plus 0.5% per year after this. Adur Homes Rents are currently significantly below 2013/14 target rents (equal to approximately 91% of formula rents on average). To meet the rent convergence assumptions the average rent increase would have been 5.2% in 2013/14, but Adur Council took the decision to charge an average rent increase of 3.1% (equal to RPI + ½%). The Adur Homes rents charged for the last three years are as follows:

Rents charged at Adur District Council 2011/12 to 2013/14								
Adur DC	Average Rent			Increase on Previous Year		RPI inc. from Previous Year		Formula Rent
	2011/12	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2013/14
Bedsits	£57.89	£61.98	£63.15	7.0%	1.9%			£67.79
1 bed	£67.96	£72.92	£74.81	7.3%	2.6%			£81.34
2 bed	£76.87	£82.79	£85.31	7.9%	3.0%			£93.50
3 bed	£86.03	£92.95	£96.37	7.8%	3.7%			£106.94
4 bed	£91.24	£98.02	£102.23	8.1%	4.3%			£115.92
5 bed	£91.97	£99.58	£104.66	8.3%	5.1%			£127.64
<b>All</b>	<b>£76.17</b>	<b>£82.01</b>	<b>£84.56</b>	<b>7.7%</b>	<b>3.1%</b>	<b>5.6%</b>	<b>2.6%</b>	<b>£92.86</b>

- 6.4 Comparative data acquired for other Sussex Councils relating to 2011/12 indicate that Adur falls just below the median in ranking for average rents charged:

## 6.0 RENT SETTING FOR 2014/15

### Looking Back

Social Housing Sector Rents Charged in Sussex 2011-12 Source: Valuation Office Agency					
Area	No. of Rents	Average	Lower Quartile	Upper Quartile	Difference vs Adur (average)
Horsham	1,036	£973	£695	£1,095	30%
Brighton & Hove UA	3,145	£959	£650	£1,200	28%
Mid Sussex	928	£917	£675	£995	23%
Wealden	553	£915	£625	£975	22%
Lewes	810	£864	£650	£925	16%
Chichester	1,209	£848	£625	£935	14%
Crawley	660	£828	£650	£950	11%
West Sussex ave.	7,398	£791	£575	£895	6%
<b>Adur</b>	<b>344</b>	<b>£747</b>	<b>£585</b>	<b>£825</b>	<b>0%</b>
Arun	2,009	£684	£520	£795	-8%
East Sussex ave.	5,040	£680	£472	£795	-9%
Rother	774	£674	£500	£775	-10%
Worthing	1,212	£651	£525	£750	-13%
Eastbourne	1,363	£645	£450	£750	-14%
Hastings	1,540	£534	£400	£625	-29%

- 6.5 A further comparison of Adur Homes rents for 2012/13 shows that both the average rent and formula rents (i.e. the level of rent expected to be achieved through convergence) across all property types is below the equivalent rent applied by our neighbouring Registered Social Landlord "Worthing Homes Ltd".

Data for 2012/13 Adur District Council and Worthing Homes (Registered Social Landlord)									
	Av rent (WH all stock)	Av rent (WH in Adur)	Av rent (ADC)	Av FR (WH all stock)	Av FR (WH in Adur)	Av FR (ADC)	AR:FR (WH all stock)	AR:FR (WH in Adur)	AR:FR (ADC)
<b>Bedsit</b>	£66.72		£61.98	£66.89		£65.68	99.7%		94.4%
<b>1 bed</b>	£78.74	£77.81	£72.92	£78.77	£82.49	£77.94	100.0%	94.3%	93.6%
<b>2 bed</b>	£91.99	£97.20	£82.79	£93.44	£96.78	£89.57	98.4%	100.4%	92.4%
<b>3 bed</b>	£102.69	£104.17	£92.95	£106.63	£108.81	£102.46	96.3%	95.7%	90.7%
<b>4 bed</b>	£112.33		£98.02	£124.54		£111.62	90.2%		87.8%
<b>5 bed</b>	£109.11		£99.58	£134.86		£122.31	80.9%		81.4%
<b>6+beds</b>	£133.81			£132.85			100.7%		
<b>All</b>	<b>£91.20</b>	<b>£94.69</b>	<b>£82.01</b>	<b>£93.24</b>	<b>£97.65</b>	<b>£89.04</b>	<b>97.8%</b>	<b>97.0%</b>	<b>92.1%</b>

- 6.6 Adur Homes rents compared with Open Market rents and other benchmarks are as follows:

Compared with Other Types of Rent in Adur Adur Homes rents are considerably lower than other rented accommodation in Adur					
	Open Market Rent	Affordable Rent (80%)	Adur Homes Social Rent	Formula Rent (Social Rent)	Local Housing Allowance
Lancing/Sompting	£173 £750/mth	£138	£86.71	£94.67	£150
Shoreham/Southwick	£218 £944/mth	£174	£84.46	£92.79	£188.68

## **6.0 RENT SETTING FOR 2014/15**

### **Looking Back**

- 6.7 The Tables in Para 6.3-6.6 above are reproduced in Appendix 4 of this report with further explanations of the findings. The evidence would suggest that although the average Adur Homes rent is not the lowest in Sussex it does lag behind the rents charged by eight of the other fourteen councils. Additionally, the average rent for Adur Homes is below the formula rent that would have applied had rent convergence been achieved, and provides secure tenancies in the District at the lowest cost comparable to other providers. For example, the average Adur rent in the Shoreham and Southwick areas is 61% below open market rents, and 13% below Worthing Homes rents charged in the Adur area as a whole.

### **Looking Forward**

- 6.8 It is the Government's expectation that Councils will have achieved convergence by 2015/16 as the CLG modified its stance on rent setting policy in July 2013 by announcing in a letter to housing authorities ;

"Having considered the issue carefully, we are minded not to extend rent convergence beyond 2014/15.....' We expect most landlords to have achieved rent convergence by 2015. By that point, rent convergence policy will have been in place for almost 15 years - this is a significant period of time for landlords to make full use of the rent flexibilities the government has provided, and most have done so."

- 6.9 There followed in October 2013, a CLG consultation paper "Guidance on Rents for Social Housing", in which it was proposed:

- moving from annual increases in weekly rents of Retail Price Index (RPI) + 0.5 percentage points (+ up to £2 for social rents), to increases of Consumer Price Index (CPI) + 1 percentage point;
- removing (from 1 April 2015) the flexibility available to landlords to increase weekly social rents each year by an additional £2, above the increase in formula rent, where the rent is below the rent flexibility level and rent cap;
- making clear that rent policy does not apply where a social tenant household has an income of at least £60,000 a year.

- 6.10 Consequently, in 2014/15 there is a one-off opportunity before the changes are introduced in 2015/16 to increase rents to a level that is more in line with the rent that would have applied had convergence been attained, and which will help ensure a sustainable Business Plan in future years. Each 1% rental increase above cost inflation (approx. 2.5%) will represent an additional £116,000 that can be set aside to meet Adur Homes' objectives and priorities.

### **This year's proposed average dwelling rent level**

- 6.11 Therefore, the average rental increase recommended for 2014/15 is 8%, raising the average council dwelling rent by £6.76 to £91.33 per week (average rent currently £84.57 per week). This increase still results in the average rent being below the formula rent that would have applied had convergence occurred, and importantly will provide additional resources to enable necessary investment to maintain the housing stock and improve the service provided to tenants. Appendix 5 details the growth items identified ( total £595k) .

## 6.0 RENT SETTING FOR 2014/15

### This year's proposed average dwelling rent level

- 6.12 The proposed average increase is estimated at being below the Rent Rebate Subsidy Limitation (RRSL) limit. The RRSL limit is the maximum average rent that may be charged before housing benefit payments need to be subsidised by the HRA. The Department of Works and Pensions has not yet published the RRSL limit rents.
- 6.13 It is intended to apply a larger increase to properties where the rent is further away from the target rent and to apply a smaller increase to properties where the rent is closer to the target rent. The level of increase for any property will be capped at 15%.
- 6.14 It is also proposed to charge the target rent on new lettings from April 2014/15. This policy will not be applied to transfers, mutual exchanges or to tenants that are downsizing.

### Garage Rents

- 6.15 Garage rents were increased by 2% in 2013/14 to £8.67 per week (plus VAT for non-Council tenants). It is proposed that the garage rents be again increased in 2014/15 by 2% to £8.84. These proposals will generate an extra £6,780 in income.

## 7.0 DEBT FINANCING COSTS

- 7.1 The debt financing costs chargeable to HRA in 2014/15 relate to interest payments and MRP relating to the following :
- i) historic debt of £17.491m in existence at 1 April 2012 (less any subsequent repayments) attributable to the HRA via the "two-pool split" of the Council's total debt at that date.
  - ii) debt incurred on 28 March 2012 to pay the HRA self-financing settlement payment of £51.185m, for which there will be a balance of £47.8m outstanding at 31 March 2014.
  - iii) new borrowing anticipated in 2014/15 for new capital expenditure.
- 7.2 The budgeted costs are:

2014/15 Budget	Interest £000	MRP £000	Total
Historic Debt	990	437	1,427
Settlement Debt	1,435	1,280	2,715
2014/15 Borrowing	407	283	690
<b>Total Budget</b>	<b>2,832</b>	<b>2,000</b>	<b>4,832</b>

## **7.0 DEBT FINANCING COSTS**

- 7.3 The combined budget of £4.832m is the same value as set for 2013/14 and reflects no significant changes. While interest costs on debt are a direct charge from the lender, MRP is applied as a contribution to the Major Repairs Reserve.

## **8.0 REPAIRS AND MAINTENANCE**

- 8.1 The condition of housing stock is maintained and improved in two ways:-

- Routine revenue repairs of a day-to-day nature and by planned maintenance such as repainting or boiler servicing.
- Capital investment programme of refurbishment and improvement on a larger scale.

- 8.2 In recent years, the budget for repairs has been suppressed due to concerns about the overall financial position of the HRA, which had been in deficit for some years. When setting the 2012/13 budget The Executive Head (Adur Homes) identified that the 2011/12 budget was insufficient for the emerging needs and should be increased by £300,000 per year (representing a 5% increase ). With inflation, the budget in 2014/15 has been increased by 325k over the 2013/14 current budget.

### **8.3 Housing Capital Investment Programme**

- 8.3.1 The capital investment programme typically comprises refurbishment and improvement on a larger scale for schemes such as new central heating and double-glazing.

- 8.3.2 Future investment in the council housing stock is funded from:-

- (i) revenue contributions to capital expenditure;
- (ii) the Major Repairs Reserve, which will increase each year by a contribution from the HRA equivalent to the depreciation charge on the use of fixed assets. This contribution is ring-fenced for repayment of debt or for direct financing of capital and maintenance expenditure; and
- (iii) prudential borrowing (subject to affordability), but must be contained within the Debt Ceiling of £68.912m set by Central Government (Para 3.3 refers).

- 8.4 With regard to the Council's capacity for new borrowing in relation to the debt ceiling, the Chancellor announced in the 2013 Autumn statement that:

## 8.0 REPAIRS AND MAINTENANCE

*“The government will increase the funding available for new affordable homes, by increasing local authority Housing Revenue Account borrowing limits by £150 million in 2015-16 and £150 million in 2016-17, allocated on a competitive basis, and from the sale of vacant high-value social housing. This funding will support around 10,000 new affordable homes and will form part of the Local Growth Fund, available to local authorities who have a proposal agreed by their Local Enterprise Partnership (LEP). This will strengthen the role of the Local Growth Fund in transforming local economies, by providing much-needed housing to support growth. The government will prioritise bids on the basis of their value for money, and would expect partnership working with Housing Associations or through Joint Ventures. The government also expects bids to contribute public sector land, and disposal of high-value vacant stock to drive competitive bids. To support this, the government will ensure all councils are transparent in the value and size of their housing assets”*

- 8.5 Thus, the increase in the HRA borrowing limit will be distributed through the Local Growth Fund on a competitive basis for LAs who have a proposal agreed by their LEP, rather than a formulaic increase across LAs with a HRA. There is no further detail than this at this time, and therefore the extent to which the Council may benefit from the proposals from 2015/16 onwards remains to be assessed.

### 8.6 Adur Housing Investment Programme

- 8.6.1 The capital programme for 2014/15 was approved at £2.746m by the Joint Strategic Committee at its meeting of 3 December, 2013 at which it was reported that :

*“The estimated resources available to fund the 2014/15 HRA renovation programme of £2,746,000 are sufficient to fund all the proposed schemes. Under the new self financing regime, the HRA is in a much more sustainable position. The first priority is the continued maintenance of decent homes standards for the benefit of existing tenants. The decent homes standard requirement is that homes:-*

- a) meet the current statutory minimum standard for housing;*
- b) are in a reasonable state of repair;*
- c) have reasonably modern facilities and services;*
- d) provide a reasonable degree of thermal comfort.”*

- 8.6.2 A further report detailing specific capital works for in respect of the decent homes programme (and seeking amendment to the Capital Investment Programme overall for 2014/15) is to be presented to the JSC meeting of 6 February, 2014. The amended programme also includes consideration of the impact of slippage from the 2013/14 financial year.

- 8.6.3 Additionally, the meeting of the JSC on 1<sup>st</sup> October 2013 received a report on proposals for Adur Homes to carry out a study to investigate the feasibility of delivering a new build housing project comprising home ownership and social housing tenure. To cover the costs of the feasibility work it was agreed to set aside £50,000 from the Adur Homes New Acquisitions and Development Fund. It was further agreed that any proposals would be developed in consultation with the Cabinet Member for Customer Services, but due to the timescales involved, there is no financial impact incorporated into the 2014/15 HRA budget.

## 9.0 REVENUE CONTRIBUTION TO CAPITAL EXPENDITURE

- 9.1 A revenue contribution to capital expenditure has been a core resource in financing the Housing capital programme in previous years. With the changes brought about by the self-financing regime, the contribution was increased in 2012/13 to £1.877m, and to £1.950m in 2013/14. No change is proposed for 2014/15 as there is sufficient funds already within the Major Repairs Reserve (Para 14.5 refers) to supplement the funding of any variations to capital expenditure. The revenue contributions in both years reflect a long-term strategy to fund a significant proportion of the proposed capital programme from revenue, thereby reducing the annual revenue cost of borrowing for the capital investment to the Housing Revenue Account. The annual cost implications for each £1m borrowed comprises:

	£
Interest Charges based on 4% interest rate	40,000
Annual provision for the repayment of debt – repaid over 40 years	25,000
<b>Total Revenue Cost Implications</b>	<b>65,000</b>

For each £1m borrowed the cost over a 40 year term (the estimated life of a council dwelling over which MRP is applied) would amount to £2.60m in total, some £1.6m more than the cost of a similar investment funded entirely by revenue contributions.

## 10.0 MANAGEMENT COSTS

- 10.1 The budget for General Management costs has decreased by £234k (8.7%) in 2014/15 compared to the current budget, and reflects general efficiencies, changes in central allocations, and expected savings from management restructuring.
- 10.2 Opportunities for savings efficiencies for Adur Homes general management are reviewed each year as part of the budget process and the changes reflects officers' view of the opportunities and constraints within the current budgetary cycle.

## 11.0 SUPPORTED HOUSING

- 11.1 The large reduction in Supported Housing funding for the Council's sheltered housing service, as a result of reductions in national government funding and West Sussex County Council's (WSCC'S) decision to remove the ring-fence and assimilate the money into the Area Based Grant administered through Local Area Agreements, led to a new way of funding and delivering the service.
- 11.2 In line with other providers in West Sussex, Adur Homes decided to split the costs of support and enhanced housing management. This enhanced housing management, which is housing management tasks carried out in sheltered accommodation above and beyond management of general needs housing, is now funded through a new service charge which is eligible for Housing Benefit (HB).

## **11.0 SUPPORTED HOUSING**

- 11.3 There is an expectation by WSCC that some of the funding is used to develop a new floating support service to local people in need of some support who do not live in sheltered housing and this service is currently being launched.
- 11.4 The new contract with WSCC came into effect from 1 April 2013 and will last for 3 years, with an option to extend for a further 2 years. As a reflection of the proposals the 2014/15 budget has been reduced by £147k from the current year estimate.

## **12.0 SERVICE CHARGES – CONTRACT PRICE INCREASES**

- 12.1 As well as core rent charges, some tenancies are also subject to service charges as they receive services which are specific to their circumstances. These charges are made in line with actual costs. Contracts in respect of services to tenants, such as door entry maintenance and communal way cleaning, are normally subject to an annual Retail Price Index (RPI) or equivalent increase. This increase is passed on to tenants receiving those services by way of an equivalent increase in their weekly service charge. Some costs have to be retendered and not all increases are applied at the beginning of a financial year. This means that such increases cannot be incorporated into the annual rent increase process and additional costs are incurred in notifying tenants separately and amending Housing Benefit entitlements when such an increase arises.
- 12.2 Contract review dates are staggered throughout the year and there may be instances when a small increase needs to be applied to such a small group of tenants that it is not cost effective to apply the charge immediately. Members are therefore requested to delegate to the Acting Head of Adur Homes and the Executive Head of Financial Services in consultation with the Cabinet Member, Improved Customer Services, authority to defer such an increase to a more cost-effective date.

## **13.0 REALLOCATIONS OF SALARIES AND CENTRAL COSTS**

- 13.1 All salaries, staff expenses, administration buildings and central support services are collated centrally within the Adur and Worthing Joint services and the Council's general fund budget. It is then re-allocated to services to show the full-cost of service provision. A more detailed explanation of this is included in the Budget Book for Adur & Worthing Councils. The Housing Revenue Account has benefited in recent years from savings achieved from joint shared support services. Last year the underspend on revenue outturn for support charges was £106,000. This year estimated savings in the Joint Strategic Committee are offset by inflation eroding any potential gains for the HRA.
- 13.2 Each year there will be some swings in allocations for the Housing Revenue Account from central support services. There will also be movement in allocation for Adur Homes staff charging to HRA capital projects. These costs are reviewed each year as part of the budget setting process.



## **14.0 LEVEL OF RESERVE BALANCES**

- 14.1 HRA general reserve balances are forecast to be £2.108m at 1<sup>st</sup> April 2014 and 17% of total expenditure. This is over the target level explained in Para 14.2 below, but reflective of the emphasis placed in securing resources to underpin revenue operations and capital expenditure in future years.
- 14.2 In the General Fund a target level of balances of between 6-10% of net expenditure has been set. The general principles behind retaining a minimum target level of balances are similar for both the General Fund and HRA in that it should be sufficient to withstand foreseeable 'worst case' scenarios but not so large as to constitute unnecessary retention of tenants monies.
- 14.3 Therefore, in principle, given that the large majority of the costs and incomes of the HRA are relatively stable (or effectively fixed at the start of each year) it should be possible to operate on a reserve balance within the 6-10% range. However, the self-financing regime is still relatively new so that future risks surrounding revenues and costs (including the impact of the impending welfare reforms and RTB regime) are uncertain. Also, given the uncertainty of costs and timings relating to the Council's new build proposals (Para 8.6.3) a cautious approach in the early years is justified in striving to provide adequate reserves to build capacity for the future as part of a longer term strategy.
- 14.4 The balanced budget for 2014/15 includes a proposed contribution of £566,060 to the HRA New Development and Acquisition' Reserve that Members approved be established in 2012/13 for new development and acquisition of new Adur Homes' dwellings. Any under-spend or surplus will be placed in this reserve over the next few years specifically to create capacity to take forward initiatives to increase the supply of affordable housing. The contribution in 2014/15 is part of the longer term strategy for delivering council housing in future.
- 14.5 Until 2011/12 the Major Repairs Reserve (MRR) has been fully utilised to fund in-year capital expenditure so that there has been no carry forward balances retained on the Balance Sheet. However, at 31 March 2013, a balance of £2.197m was retained on the MRR to be carried forward and used for funding the capital programme. This reflects the position that fluctuations may arise in expenditure each year depending on slippage within the capital programme, and the amounts of voluntary set aside for MRP for the repayment of debt. Altogether, the 2014/15 capital budget includes provision for £2.861m to be utilised for financing HRA capital expenditure, comprising the carried forward balances and in-year contributions.
- 14.6 Although a balanced budget has been prepared, any underspends arising at the final revenue outturn for 2014/15 will be put forward for consideration by Members to decide how this may be set aside to the most appropriate Adur Homes reserve taking into account the demands of the service at that time. In keeping with previous years, it is proposed that any overspends at final revenue outturn will be drawn from the HRA General Reserve.

## 15.0 IMPACT ON FUTURE YEARS

- 15.1 Attached at appendix 4 is the 30-year financial forecast. The focus for the 2014/15 budget has been to ensure that the HRA remains sustainable in the longer term. As with 2013/14, the budget for 2014/15 allows for a high level of investment in the maintenance of properties than has been afforded prior to the self-financing regime. The first priority for the new freedoms has to be the continued maintenance of the decent homes standards for the benefit of our existing tenants.
- 15.2 The financial plan assumes that rent increases from 2015/16 are at the level proposed by the Governments proposals described in para 6.9 (i.e. CPI plus 1%).
- 15.3 The financial strategy within the 30-year forecast also includes the MRP allowance for the repayment of the debt, such that headroom below the Debit Limit is created for new borrowing and is affordable. Over the next five years, the Council will be able to borrow to finance new initiatives as follows:

	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Opening CFR *	66.078	66.959	65.562	63.993	63.283
New borrowing	-	0.320	0.148	1.007	1.087
MRP	(1.717)	(1.717)	(1.717)	(1.717)	(1.717)
<b>Closing CFR</b>	<b>64.361</b>	<b>65.562</b>	<b>63.993</b>	<b>63.283</b>	<b>62.653</b>
<b>Debt Ceiling</b>	<b>(68.912)</b>	<b>(68.912)</b>	<b>(68.912)</b>	<b>(68.912)</b>	<b>(68.912)</b>
Headroom for additional borrowing if supported by tenants	<b>(4.511)</b>	<b>(3.350)</b>	<b>(4.919)</b>	<b>(5.629)</b>	<b>(6.259)</b>

\* CFR is the underlying need to borrow and in the table above assumes all debt is drawn down in full in the year as planned in the capital programme. The Treasury Management Strategy contained in Appendix 5 includes a comparison of the CFR and the Debt Ceiling derived from projecting the current portfolio of borrowing (i.e. assuming no new borrowing).

- 15.4 In view of the available headroom for new borrowing the Council could consider support for either a higher level of investment in our current housing stock or to increase the number of affordable homes available through the following:
1. Conversion of HRA shops to dwellings in difficult to let locations
  2. Repurchase of previously owned Council dwellings (particularly leasehold flats)

## **15.0 IMPACT ON FUTURE YEARS**

3. Purchase of empty properties from the private sector which are dilapidated or in need of repairs.
4. Building new homes

All of these options need to be explored in detail to ensure that they are financially viable. Indeed, the implications of changes to the Right to Buy government policies will need to be carefully considered prior to embarking on any project.

- 15.5 To bring all of these considerations together, it is proposed to refresh the Adur Homes business plan periodically, and incorporate into the plan an assessment of the future of the housing stock – including the outcome of the the feasibility investigation into the new build proposals . This will also include an update to the asset management plan which will validate the assumptions in the 30-year forecast about the capital programme and maintenance provision.

## **16.0 SUMMARY AND RENTAL OPTIONS**

- 16.1 Increasing rents by an average of 8%, with other changes to the budget leaves the HRA in a strong financial position going forward, albeit that a number of risks and uncertainties alluded to in this report have yet to take effect or be quantified.
- 16.2 The national DCLG business plan for 'self-financing' was based on the assumption that guideline and formula rents will converge by 2015-16. The Government have now dismissed convergence in preference for new proposals effective from 2015 which will see rents regulated by increases of CPI inflation plus 1%. Consequently there is a one-off opportunity to increase rents towards the formula rent. Therefore, it is recommended that this is taken in 2014/15 (before the regulations take effect) to uplift dwelling rentals to a level more akin to that which would have applied had convergence taken place – given that Adur has traditionally lagged behind.
- 16.3 The Council's discretion on the level of rents it decides to set in future will therefore be constrained and therefore the proposed 2014/15 budget reflects the need to provide resources to invest and maintain the housing stock, as well as ensure a sustainable business plan for future years that is truly "self-financing".
- 16.4 Clearly, there remains the option of setting a lower rent increase, but this would result in a deficit which would have to be funded from the reserves, or deferring the growth proposals outlined in Appendix 5, or making alternative savings elsewhere in services.
- 16.5 Discussions have already taken place with the Adur Consultative Forum over the 2014/15 budget proposals, and it is supportive of the recommendations. ACF recognises the need to invest in the future for Adur homes. Forum members will also be invited to attend the Cabinet meeting to relay their views on the budgetary proposals.

## 17.0 LEGAL IMPLICATIONS

17.1 There are no legal implications arising from the proposed budget other than those relating to :

- i) the use of capital receipts under Right To Buy regulations (Para 4.4 – 4.90), and emanating from the Local Authorities (Capital Financing and Accounting)(England) Amendment Regulations (SI 2012/711 & 2012/1324)
- ii) maintain borrowing with the imposed debt ceiling limit (Para 3.6) arising from the Limits on Indebtedness Determination issued under the powers conferred upon the Secretary of State by S168 to 175 of the Localism Act, 2011.

## 18.0 RECOMMENDATIONS

18.1 The Cabinet is recommended to:-

- (i) consider and approve the Housing Revenue Account estimates
- (ii) determine the level of associated rents and charges with effect from week one of 2014/15:-
  - (a) **Rents of Council Dwellings** – agree an average increase of 8.0% raising the average council dwelling rent by £6.76 to £91.33 per week (average rent currently £84.57 per week) – (Para.6.11)
  - (b) **Rents of Council garages** – agree an increase of 2% to £8.84. (currently £8.67 per week), plus VAT for non-Council tenants) (Para.6.15)
  - (c) **Service Charges** - delegate to the Acting Head of Adur Homes and Executive Head of Financial Services in consultation with the Cabinet Member for Customer Services, the setting of the service charges (para. 12.2)
- (iii) To approve a contribution of **£566,060** to the earmarked reserve specifically for new development and refurbishment of council housing (para. 14.4)
- (iv) To approve the HRA Treasury Management Strategy contained in Appendix 6.

**SARAH GOBEY**

**Executive Head of Financial Services  
and Section 151 Officer**

**CHRISTINE RYDER**

**Acting Head of Adur Homes**

**Background Papers:**

Reinvigoration the Right to Buy and one for one replacement – Consultation paper from the Department of Communities and Local Government

Laying the Foundations: A Housing Strategy for England

Guidance On Rents for Social Housing – Draft For Consultation (DCLG, Oct 2013)

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## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

- 1.1 This report acknowledges the need to link all Council priorities with resource allocation in order to meet and deliver those objectives.

### **2.0 SPECIFIC TARGETS**

- 2.1 (A) Matter considered and no issues identified.  
(B) Matter considered and no issues identified.

### **3.0 SUSTAINABILITY ISSUES**

- 3.1 Well-balanced communities rely upon a diversity of accommodation being available, enabling residents to make housing choices based upon consideration of size, type, tenure and affordability. A vital component of this mixture is accommodation provided by social landlords and the Council is the largest provider of such accommodation in the Adur District. To keep this accommodation well-managed and in good repair, the Council needs a flexible, adaptable approach, albeit with a diminished local freedom to tailor local solutions to meet local needs.

### **4.0 EQUALITY ISSUES**

- 4.1 Matter considered and no issues identified.

### **5.0 COMMUNITY SAFETY ISSUES (SECTION 17)**

- 5.1 Matter considered and no issues identified.

### **6.0 HUMAN RIGHTS ISSUES**

- 6.1 Matter considered and no issues identified.

### **7.0 FINANCIAL IMPLICATIONS**

- 7.1 Contained within the report.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 Matter considered and no issues identified.

### **9.0 CONSULTATIONS**

- 9.1 (A) Consultation is conducted with the Adur Consultative Forum

### **10.0 RISK ASSESSMENT**

- 10.1 Matter considered and no issues identified.

### **11.0 HEALTH & SAFETY ISSUES**

- 11.1 Matter considered and no issues identified.

### **12.0 PROCUREMENT STRATEGY**

- 12.1 Matter considered and no issues identified.

### **13.0 PARTNERSHIP WORKING**

- 13.1 Matter considered and no issues identified.

**ADUR:**  
**Housing Revenue Account Budget Report**



**APPENDIX 1**

<b>HOUSING REVENUE ACCOUNT</b>		
	<b>CURRENT ESTIMATE 2013/14</b>	<b>ESTIMATE 2014/15</b>
	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>		
General Management	2,660,910	2,436,890
Special Services	746,160	893,370
Rent, Rates, Taxes & Other Charges	29,190	29,780
Repairs & Maintenance	2,088,520	2,413,580
Revenue Contribution to Capital	1,950,000	1,950,000
Provision for refurbishment and new build	346,060	566,060
Charges for Capital / Interest Repayment/Debt Management Expenses	2,637,750	2,868,140
Depreciation transfer to MRR Inc Non Op assets	2,193,020	2,186,710
Bad/Doubtful Debt		50,000
<b>TOTAL EXPENDITURE</b>	<b>12,651,610</b>	<b>13,394,530</b>
<b>INCOME</b>		
Dwelling Rents	(11,551,760)	(12,273,230)
Non-Dwelling Rents	(527,680)	(538,240)
Heating Charges	(69,330)	(70,720)
Leaseholder's Service Charges	(100,000)	(102,000)
Other Service Charges	(359,440)	(366,630)
Contributions towards Expenditure	(15,400)	(15,710)
Interest Received	(28,000)	(28,000)
Transfer re: Shared Amenities	-	-
<b>TOTAL INCOME</b>	<b>(12,651,610)</b>	<b>(13,394,530)</b>
<b>NET (SURPLUS)/DEFICIENCY</b>	<b>-</b>	<b>-</b>
<b>BALANCES</b>		
1st April	(2,108,313)	(2,108,313)
Transfer Surplus / (deficit) from HRA	-	-
31st March	(2,108,313)	(2,108,313)

**ADUR:**  
***Housing Revenue Account Budget Report***



**APPENDIX 2**

MAJOR REPAIRS RESERVE		
	CURRENT ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
Balanced carried forward	(2,186,000)	(1,741,270)
Transfer from Revenue Account	(2,193,020)	(2,186,710)
MRP on Debt Repayment	2,454,000	2,452,000
Contribution to the Capital Programme	183,750	416,140
(SURPLUS) / DEFICIENCY	(1,741,270)	(1,059,840)



HOUSING REVENUE ACCOUNT										
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>EXPENDITURE</b>										
General Management	2,427	2,487	2,549	2,613	2,679	2,745	2,814	2,884	2,957	3,031
Special Services	893	916	939	962	986	1,011	1,036	1,062	1,088	1,117
Rents, Rates, Taxes & Other Charges	30	31	31	32	33	34	35	35	36	37
<b>OVERALL RUNNING COSTS</b>	<b>3,350</b>	<b>3,434</b>	<b>3,519</b>	<b>3,607</b>	<b>3,698</b>	<b>3,790</b>	<b>3,885</b>	<b>3,981</b>	<b>4,081</b>	<b>4,185</b>
Annual Revenue Maintenance Costs	2,414	2,530	2,652	2,781	2,916	3,056	3,204	3,359	3,522	3,692
Revenue Contribution to Capital	2,145	2,832	2,910	2,988	3,065	3,142	3,217	3,293	3,370	3,445
<b>Charges for Capital</b>										
Depreciation	2,187	2,293	2,404	2,520	2,642	2,770	2,904	3,045	3,192	3,346
Interest payable										
Interest - on historic debt	988	974	974	974	974	974	974	974	974	974
Interest - on assumed debt	1,435	1,383	1,331	1,279	1,228	1,176	1,124	1,073	1,021	969
Contingency against interest rise (0.75%)	235	228	220	211	201	194	185	177	168	160
Interest - on capital programme	24	57	118	177	234	289	344	393	440	483
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50
Contribution to Reserves	566	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>13,394</b>	<b>13,781</b>	<b>14,178</b>	<b>14,587</b>	<b>15,008</b>	<b>15,441</b>	<b>15,887</b>	<b>16,345</b>	<b>16,818</b>	<b>17,304</b>
<b>INCOME</b>										
Dwelling Rents	-12,273	-12,622	-12,981	-13,350	-13,730	-14,120	-14,522	-14,934	-15,359	-15,796
Other Rents and Charges	-1,093	-1,131	-1,169	-1,209	-1,250	-1,293	-1,337	-1,383	-1,431	-1,480
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>-13,394</b>	<b>-13,781</b>	<b>-14,178</b>	<b>-14,587</b>	<b>-15,008</b>	<b>-15,441</b>	<b>-15,887</b>	<b>-16,345</b>	<b>-16,818</b>	<b>-17,304</b>
<b>NET COST OF SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

HOUSING REVENUE ACCOUNT										
	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000
<b>EXPENDITURE</b>										
General Management	3,106	3,184	3,264	3,345	3,429	3,514	3,602	3,692	3,785	3,879
Special Services	1,144	1,172	1,201	1,232	1,262	1,294	1,326	1,359	1,394	1,428
Rents, Rates, Taxes & Other Charges	38	39	40	41	42	43	44	45	46	48
<b>OVERALL RUNNING COSTS</b>	4,288	4,395	4,505	4,618	4,733	4,851	4,972	5,096	5,225	5,355
Annual Revenue Maintenance Costs	3,871	4,058	4,254	4,460	4,676	4,902	5,139	5,388	5,649	5,922
Revenue Contribution to Capital	3,527	3,631	3,722	3,797	3,818	3,921	3,968	4,002	4,024	4,039
<b>Charges for Capital</b>										
Depreciation	3,508	3,678	3,856	4,043	4,239	4,444	4,659	4,884	5,120	5,368
Interest payable										
Interest - on historic debt	963	938	932	932	932	932	932	932	932	932
Interest - on assumed debt	918	866	814	763	711	659	607	556	504	452
Contingency against interest rise (0.75%)	151	143	134	125	117	109	102	92	83	75
Interest - on capital programme	527	559	580	604	677	662	695	734	777	818
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50
Contribution to Reserves	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	17,803	18,318	18,847	19,392	19,953	20,530	21,124	21,734	22,364	23,011
<b>INCOME</b>										
Dwelling Rents	-16,244	-16,706	-17,181	-17,669	-18,171	-18,687	-19,218	-19,763	-20,325	-20,902
Other Rents and Charges	-1,531	-1,584	-1,638	-1,695	-1,754	-1,815	-1,878	-1,943	-2,011	-2,081
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INCOME</b>	-17,803	-18,318	-18,847	-19,392	-19,953	-20,530	-21,124	-21,734	-22,364	-23,011
<b>NET COST OF SERVICES</b>	0	0	0	0	0	0	0	0	0	0

HOUSING REVENUE ACCOUNT										
	2034/35 £'000	2035/36 £'000	2036/37 £'000	2037/38 £'000	2038/39 £'000	2039/40 £'000	2040/41 £'000	2041/42 £'000	2042/43 £'000	2043/44 £'000
<b>EXPENDITURE</b>										
General Management	3,976	4,076	4,178	4,282	4,389	4,499	4,611	4,727	4,845	4,966
Special Services	1,464	1,500	1,538	1,576	1,616	1,656	1,698	1,740	1,784	1,828
Rents, Rates, Taxes & Other Charges	49	50	51	53	54	55	57	58	59	61
<b>OVERALL RUNNING COSTS</b>	5,489	5,626	5,767	5,911	6,059	6,210	6,366	6,525	6,688	6,855
Annual Revenue Maintenance Costs	6,208	6,508	6,823	7,153	7,499	7,862	8,242	8,640	9,058	9,496
Revenue Contribution to Capital	4,046	4,045	4,034	4,013	3,981	3,936	3,878	3,807	3,777	3,759
<b>Charges for Capital</b>										
Depreciation	5,628	5,900	6,185	6,484	6,798	7,127	7,472	7,833	8,212	8,609
Interest payable										
Interest - on historic debt	932	932	932	932	932	932	932	932	932	932
Interest - on assumed debt	401	349	297	246	194	142	90	39	0	0
Contingency against interest rise (0.75%)	66	58	49	40	31	23	15	6	0	0
Interest - on capital programme	857	895	931	966	998	1,029	1,059	1,087	1,040	920
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50
Contribution to Reserves	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	23,677	24,363	25,068	25,795	26,542	27,311	28,104	28,919	29,757	30,621
<b>INCOME</b>										
Dwelling Rents	-21,495	-22,106	-22,733	-23,379	-24,042	-24,724	-25,426	-26,148	-26,889	-27,652
Other Rents and Charges	-2,154	-2,229	-2,307	-2,388	-2,472	-2,559	-2,650	-2,743	-2,840	-2,941
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INCOME</b>	-23,677	-24,363	-25,068	-25,795	-26,542	-27,311	-28,104	-28,919	-29,757	-30,621
<b>NET COST OF SERVICES</b>	0	0	0	0	0	0	0	0	0	0

## SOCIAL HOUSING RENTS CHARGED BY LOCAL AUTHORITIES IN SUSSEX

Average weekly rent per dwelling on a standardised 52 week basis

Area	No weeks	Rent	Ave rent over 52 weeks	Difference v Adur (average)
Crawley	48	£109.83	£101.38	33.2%
Lewes	52	£80.57	£80.57	5.9%
Arun	52	£76.79	£76.79	0.9%
<b>Adur</b>	<b>52</b>	<b>£76.11</b>	<b>£76.11</b>	
Brighton and Hove	52	£70.76	£70.76	-7.0%
Wealden	48	£75.61	£69.79	-8.3%
Eastbourne	52	£68.38	£68.38	-10.2%

## SOCIAL HOUSING SECTOR RENTS CHARGED IN SUSSEX 2011-12

Source: Valuation Office Agency					
Area	No. of Rents	Average	Lower Quartile	Upper Quartile	Difference vs Adur (average)
Horsham	1,036	£973	£695	£1,095	30%
Brighton & Hove UA	3,145	£959	£650	£1,200	28%
Mid Sussex	928	£917	£675	£995	23%
Wealden	553	£915	£625	£975	22%
Lewes	810	£864	£650	£925	16%
Chichester	1,209	£848	£625	£935	14%
Crawley	660	£828	£650	£950	11%
West Sussex ave.	7,398	£791	£575	£895	6%
<b>Adur</b>	<b>344</b>	<b>£747</b>	<b>£585</b>	<b>£825</b>	<b>0%</b>
Arun	2,009	£684	£520	£795	-8%
East Sussex ave.	5,040	£680	£472	£795	-9%
Rother	774	£674	£500	£775	-10%
Worthing	1,212	£651	£525	£750	-13%
Eastbourne	1,363	£645	£450	£750	-14%
Hastings	1,540	£534	£400	£625	-29%

## RENTS CHARGED AT ADUR DISTRICT COUNCIL 2011/12 TO 2013/14

Adur DC	Average Rent			Increase on Previous Year		RPI inc. from Previous Year		Formula Rent
	2011/12	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2013/14
Bedsits	£57.89	£61.98	£63.15	7.0%	1.9%			£67.79
1 bed	£67.96	£72.92	£74.81	7.3%	2.6%			£81.34
2 bed	£76.87	£82.79	£85.31	7.9%	3.0%			£93.50
3 bed	£86.03	£92.95	£96.37	7.8%	3.7%			£106.94
4 bed	£91.24	£98.02	£102.23	8.1%	4.3%			£115.92
5 bed	£91.97	£99.58	£104.66	8.3%	5.1%			£127.64
<b>All</b>	<b>£76.17</b>	<b>£82.01</b>	<b>£84.56</b>	<b>7.7%</b>	<b>3.1%</b>	<b>5.6%</b>	<b>2.6%</b>	<b>£92.86</b>

**RENTS CHARGED AT ADUR DISTRICT COUNCIL 2011/12 TO 2013/14**

Note: Average figures may differ from ELASH return due to properties bought/sold in period since return made to CLG

**SUMMARY INFORMATION**

Social housing rents charged by Crawley BC are approx 33% higher than rents charged by Adur DC (Private rents in Crawley are approx 11% higher than Adur).

Social housing rents charged by Arun DC are approx 1% higher than rents charged by Adur DC (Private rents in Arun are approx 8% lower than Adur).

Social housing rents charged by Brighton and Hove CC are approx 7% lower than rents charged by Adur DC (Private rents in Brighton and Hove are approx 28% higher than Adur).

Since 2011/12, Adur rents are likely to have remained approximately the same or fallen relative to the average for Sussex

Rents in 2012/13 were increased by an average 2.1% more than RPI. Rents in 2013/14 were increased by just 0.5% more than RPI.

Rents at Adur are still considerably lower than formula rents.

Data for 2012/13 - Adur DC and Worthing Homes (Registered Social Landlord)									
	Av rent (WH all stock)	Av rent (WH in Adur)	Av rent (ADC)	Av FR (WH all stock)	Av FR (WH in Adur)	Av FR (ADC)	AR:FR (WH all stock)	AR:FR (WH in Adur)	AR:FR (ADC)
<b>Bedsit</b>	£66.72		£61.98	£66.89		£65.68	99.7%		94.4%
<b>1 bed</b>	£78.74	£77.81	£72.92	£78.77	£82.49	£77.94	100.0%	94.3%	93.6%
<b>2 bed</b>	£91.99	£97.20	£82.79	£93.44	£96.78	£89.57	98.4%	100.4%	92.4%
<b>3 bed</b>	£102.69	£104.17	£92.95	£106.63	£108.81	£102.46	96.3%	95.7%	90.7%
<b>4 bed</b>	£112.33		£98.02	£124.54		£111.62	90.2%		87.8%
<b>5 bed</b>	£109.11		£99.58	£134.86		£122.31	80.9%		81.4%
<b>6+ beds</b>	£133.81			£132.85			100.7%		
<b>All</b>	<b>£91.20</b>	<b>£94.69</b>	<b>£82.01</b>	<b>£93.24</b>	<b>£97.65</b>	<b>£89.04</b>	<b>97.8%</b>	<b>97.0%</b>	<b>92.1%</b>

## ADUR HOMES – RENT

From 2015/16 DCLG intend that rent policy will be CPI+1%. For 2014/15 there are no restrictions from DCLG, although further confirmation is awaited.

<b>Current rental income 2013/14</b> Increase 8%  <b>Costs increase estimate 2014/15</b> Increase in repairs Increase in other costs  <b>Additional income over costs</b>	<b>£</b> <b>11,575,730</b> 12,501,790	1% increase = 115,760
	926,060	
	120,650 210,180	
	330,830	
	<b>595,230</b>	

Proposed Growth	£	Theme	Comments
Voids refurbishments	100,000	Improved customer services and improved housing stock	Although we have a 2 day turnaround for voids due to choice based letting, letting period is approximately 3 weeks. Improving voids is beneficial to tenant and Adur Homes
Housing Manqagement Officer and Tenant Support Officer	70,000	Wave catcher 2 – Cultivating enterprising communities by recognising opportunities, sharing knowledge and skills and “getting out of the way”	Enabling and empowering our tenants
Bad Debt Provision	50,000	Welfare Reform	Reduction in Housing Benefit for under occupation of social housing.
Job Evaluation	50,000	Corporate requirement	This is a “guestimate”
Cyclical maintenance	150,000	Maintaining housing stock	Improved cyclical maintenance has a positive impact on re-active repairs
Buy Back leasehold flats	180,000	Viability of the business and to meet housing needs	We need to replace stock we lose via RTB.
<b>TOTAL</b>	<b>600,000</b>		

## **HRA TREASURY MANAGEMENT STRATEGY**

### **1.0 INTRODUCTION**

- 1.1 This Appendix sets out the HRA Treasury Management Strategy Statement for 2014-15. The requirement to produce a separate strategy specifically for HRA is a direct consequence of the introduction of the self-financing regime, as it reflects the underlying principle that borrowing and debt management decisions should operate equitably and independently from the General Fund.
- 1.2 The strategy presented and proposed for 2014/15 is unchanged from 2013/14, as it has been accepted by the Council's external auditors in the first two years of self-financing as an appropriate method of apportioning debt management costs and interest accrued from balances and investments between HRA and General Fund.
- 1.3 Underpinning all Treasury Management activity of the Council is the CIPFA Treasury Management Code of Practice, which was last revised in November 2011 to address the implications for introducing HRA Self-financing from 2012/13.
- 1.4 The published Code identified the need for local authorities "...to allocate existing and future borrowing costs between housing and General Fund as the current statutory method of apportioning debt charges between the General Fund and HRA will cease".
- 1.5 The Code set out options for doing this, in respect of which the Council's Treasury Management consultants Sector were invited to provide comment and analysis. The results were presented to Cabinet in the HRA Budget Report 2012/13 at the meeting of 7 February 2012, at which it was agreed to adopt CIPFA's "Two-Pooled Approach". This entailed allocating historic debt at 31 March 2012 between HRA and General Fund, with any new debt acquired after this date to be assigned to the HRA or General Fund according to the purpose for which it is acquired.
- 1.6 Additionally, the Strategy aims to achieve borrowing outcomes that are affordable, sustainable and prudent in keeping with the requirements of the Prudential Code for Capital Finance in Local Authorities. This Code requires the Council to consider the impact of borrowing as well as address a number of other fundamental principles, being:
  - (i) The splitting of loans (i.e. debt) at the HRA Settlement transition date must be of no detriment to the General Fund.
  - (ii) The Council is required to deliver a solution that is broadly equitable between the HRA and the General Fund;
  - (ii) Future charges to the HRA in relation to borrowing are not influenced by General Fund decisions, giving the HRA greater freedom, independence, certainty and control;
  - (iv) Un-invested balance sheet resources which allow borrowing to be below the CFR are properly identified between General Fund and HRA.

### **HRA TREASURY MANAGEMENT STRATEGY**

- 1.6 Points (i) – (iii) above were addressed by adopting the “Two-Pool Approach”. The last point is met in the Strategy in accordance with the CIPFA Treasury Management code recommendation that the effect should be included in the interest on balances calculation to appropriately allocate the respective portions to HRA and General Fund.
- 1.7 With these background principles and approaches in place the HRA Treasury Management Strategy aims to cover:
- Overall Objectives
  - The Current & Future Position – Underlying Need to Borrow compared to Actual Borrowing
  - The Debt Maturity Profile & Headroom for New Borrowing
  - How to allocate debt and attributable financing costs between HRA and General Fund equitably
  - How to recognise HRA cash balances and reserves which form part of the Council’s total investments
  - How to recognise any costs or revenues generated from Over/under borrowing
- 1.8 Accordingly, these aspects of the Strategy are approached in turn.

## **2.0 OVERALL OBJECTIVES OF THE HRA TREASURY MANAGEMENT STRATEGY**

- 2.1 The central aim of the Strategy agreed for 2013/14 and unchanged for 2014/15 is:
- to provide borrowing that is affordable, sustainable and prudent, as required by The Prudential Code, and which underpins the requirements of the HRA Capital Investment Programme, 30 year Business Plan, and any other corporate plans.
  - to manage the HRA investments and cash flows, its banking, money market and capital market transactions within the purview of the Council’s overall Treasury Management Strategy, and to provide effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
  - to support budget and service delivery objectives for the benefit of tenants at no detriment to the General Fund or council taxpayers generally.



## HRA TREASURY MANAGEMENT STRATEGY

### 3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING

- 3.1 The underlying need to borrow for capital investment is called the Capital Financing Requirement (CFR) and relates to the amount of planned capital expenditure that is not financed from internal resources, which for HRA are primarily capital receipts, revenue contributions, and the Major Repairs Reserve.
- 3.2 Capital expenditure in any year above the amount allocated to be used from these resources must be financed from borrowing or other credit arrangement (e.g. leasing), and results in an increase to the CFR. By comparing the CFR to the amount of actual borrowing the extent to which the Council is under or over borrowed is determined, and provides a key prudential indicator for performance management. The current estimates based on the capital investment programme for the next three years is shown in the table below:

Adur District Council	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
<b>Capital Financing Requirement (CFR)</b>					
General Fund	12.892	14.076	15.108	15.361	16.713
Housing Revenue Account	66.078	65.562	63.994	63.284	62.655
<b>Total CFR</b>	<b>78.970</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>	<b>79.368</b>
<b>Actual Debt</b>					
General Fund	(16.490)	(13.185)	(12.969)	(12.969)	(12.968)
Housing Revenue Account	(65.818)	(64.982)	(62.993)	(61.287)	(59.581)
<b>Total Debt Amount</b>	<b>(82.310)</b>	<b>(78.167)</b>	<b>(75.962)</b>	<b>(74.255)</b>	<b>(72.549)</b>
<b>(Over)/Under Borrowing</b>					
General Fund	(3.600)	0.891	2.139	2.392	3.744
Housing Revenue Account	0.260	0.580	1.001	1.997	3.074
<b>Total</b>	<b>(3.340)</b>	<b>1.471</b>	<b>3.140</b>	<b>4.389</b>	<b>6.818</b>
<b>HRA Borrowing Headroom</b>	<b>3.094</b>	<b>3.930</b>	<b>5.919</b>	<b>7.625</b>	<b>9.331</b>

*(Note that the General Fund position is shown for comparative purposes and is extracted from the Annual Treasury Management & Annual Investment Strategy Report 2014/15-2016/17 submitted to the meeting of the Joint Strategic Committee on 6 February 2014.*

## **HRA TREASURY MANAGEMENT STRATEGY**

### **3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING**

- 3.3 The comparison shows the HRA is under borrowed at the end of 2013/14 by £580k, reflecting the amount by which debt aoutstanding and MRP has reduced over and above the incidence of new capital expenditure financed from borrowing since 2012/13. In the following years the amount by which actual borrowing is below CFR increases as the value of of debt repaid and MRP provided for in each year exceeds the amount of new borrowing anticipated to fund capital investment.
- 3.4 The propensity to bring actual borrowing into line with the CFR is constrained by the requirement to stay within the HRA Debt Limit of £68.912m imposed by Central Government. This is only a constraint if the CFR based on capital investment proposals is above the debt limit. However, for all years from 2013/14 to 2016/17 the CFR is projected to be below the debt as reflected in the capital investment proposals approved by the meeting of the Joint Strategic Committee on 3 December, 2013.

### **4.0 THE DEBT MATURITY PROFILE AND HEADROOM FOR NEW BORROWING**

- 4.1 The last row of the table in the preceding section compares the existing debt profile with the Debt Ceiling Limit of £68.912m. The amount by which actual borrowing is below the limit provides “Headroom” for new borrowing to fund capital expenditure. For each of the years to 2016/17 the headroom is more than sufficient to allow new borrowing to occur to bring total indebtedness in line with the underlying need to borrow as measured by the CFR – albeit the decision to borrow will be influenced by the prevailing forecast for interest rates, alternative sources of capital funding, and the ability to meet the direct financing costs of borrowing from within the approved HRA budget.
- 4.2 The borrowing profile of the debt portfolio over the 30 years from 2012/13 is illustrated graphically at the end of this Strategy document to show the increasing headroom that exists for future borrowing to fund new capital expenditure.

### **5.0 HOW TO ALLOCATE DEBT AND ATTRIBUTABLE FINANCING COSTS BETWEEN HRA AND GENERAL FUND EQUITABLY – THE TWO POOLED APPROACH**

- 5.1 The methodology adopted in the Strategy draws upon CIPFA guidance relating to the two pooled approach, the essence of which is:
- to disaggregate historic debt at the HRA Debt Settlement transition date by the CIPFA methodology and allocate the respective portions to the HRA and General Fund. To each share is added new debt arising after the transition date according to the purpose for which it was incurred.

## HRA TREASURY MANAGEMENT STRATEGY

### 5.0 HOW TO ALLOCATE DEBT AND ATTRIBUTABLE FINANCING COSTS BETWEEN HRA AND GENERAL FUND EQUITABLY – THE TWO POOLED APPROACH

- 5.2 In adopting this methodology, the Council was mindful of its Treasury Management Consultant's comments that "The two pool approach is the preferred option by CIPFA and DCLG. It is relatively simple and allows the HRA to present a preferred funding structure to the Treasury Management team. It allocates a greater proportion of fixed rate borrowing to the HRA, which may suit its needs as it provides a greater degree of certainty over initial costs".
- 5.3 Another reason for adopting the two pool approach was that an assessment was made of the impact of the resultant financing costs at transition on the HRA and it was concluded that the effect was negligible.
- 5.4 For historic debt at the transition date, the two pooled approach assumed the HRA was fully borrowed at the level of its CFR, with the residual debt attributed to the General Fund. Thus, any over borrowing at that date was attributed to the General Fund, rather than shared with the HRA. The effect at 31 March 2012 of applying the two pooled approach was:

CFR Allocations at Transition Date		Debt Allocations at Transition Date	
	£000		£000
HRA	68,676	HRA	68,676
General Fund	11,160	General Fund	13,430
<b>TOTAL</b>	<b>79,836</b>	<b>TOTAL DEBT</b>	<b>82,106</b>

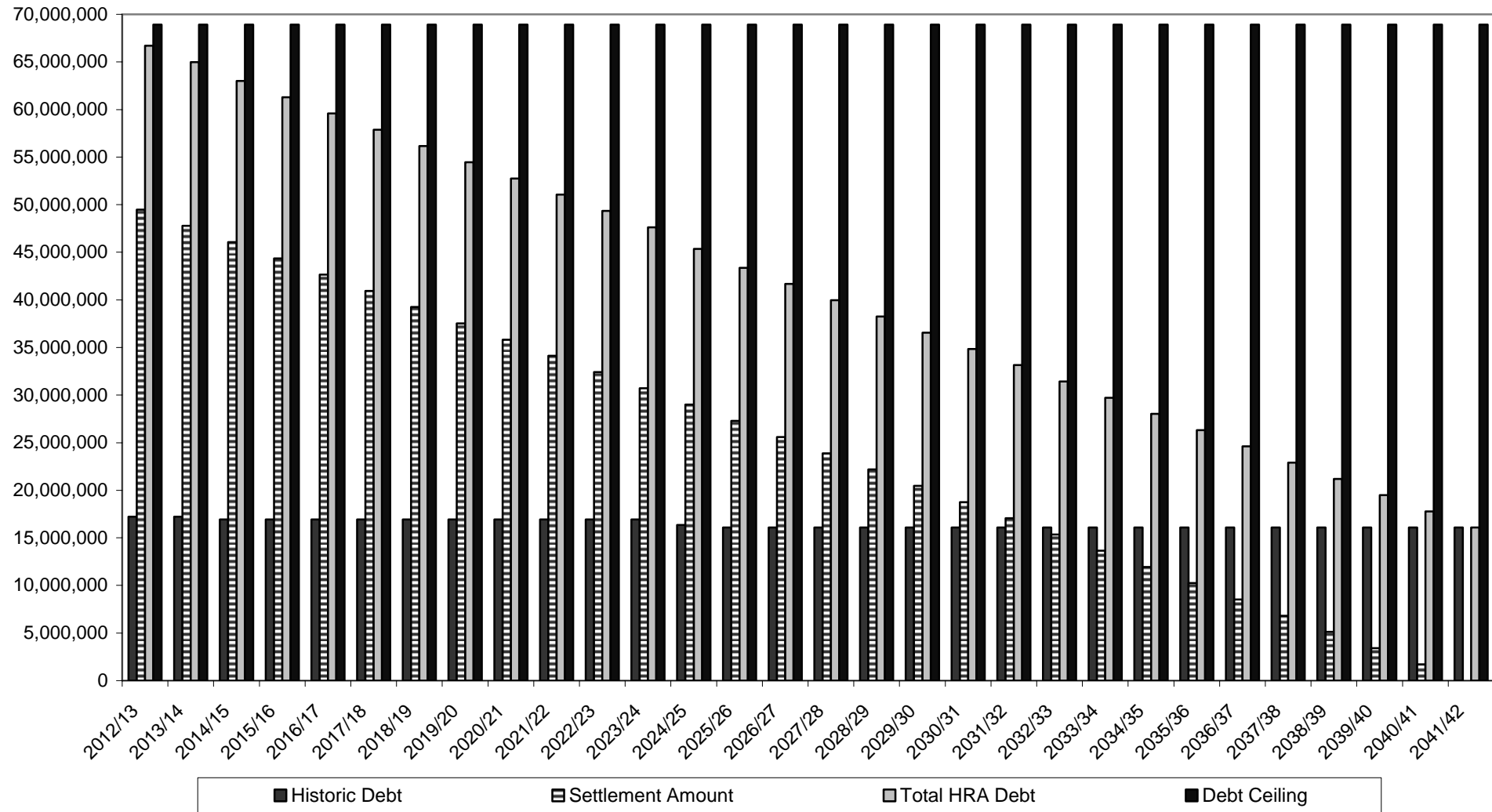
### 6.0 HOW TO RECOGNISE HRA CASH BALANCES AND RESERVES WHICH FORM PART OF THE COUNCIL'S TOTAL INVESTMENTS

- 6.1 Before 2012/13, the former subsidy system provided for a statutory determination – the Item 8 credit – to attribute interest on notional average HRA cash balances to the HRA Comprehensive Income and Expenditure statement.
- 6.2 This recognised the general principle that the HRA should benefit from its cash balances and reserves, and the introduction of the self-financing arrangements did not alter this principle.
- 6.3 The Strategy adopts the CIPFA recommended approach for all investments to be pooled, since it states that the "interest on cash balances calculation can be used to manage the charge between HRA and General Fund". Accordingly, to do this the Strategy retains the use of the notional average cash balance approach used within the former Statutory Item 8 calculation as the basis for crediting the HRA share of interest receivable.

**HRA TREASURY MANAGEMENT STRATEGY****7.0 HOW TO RECOGNISE ANY COSTS OR REVENUES GENERATED FROM OVER/UNDER BORROWING**

- 7.1 In practice it is recognised that there will be timing differences between the Council's underlying need to borrow (the CFR) and actual borrowing.
- 7.2 Where under borrowing occurs, the Council is drawing upon internal reserves and balances to fund capital expenditure, and therefore bears the cost of interest foregone on the amount of cash consumed that might otherwise be invested.
- 7.3 Conversely, where over borrowing occurs surplus cash to requirements is held that forms part of surplus cash available for investment. This may arise where borrowing for capital expenditure is undertaken in advance of actual expenditure to take advantage of low interest rates.
- 7.4 In both scenarios the CIPFA Treasury Management code states that the effect should be included in the interest on balances calculation to appropriately allocate the respective portions to HRA and General Fund.
- 7.5 Accordingly, the Strategy adopts the approach whereby the relevant credit or debit shall be computed with reference to the difference between the HRA and General Fund CFR and the respective actual debt during the year. Where an Over-borrowing position occurs interest shall be credited according the average rate of interest on all investments prevailing for the period during which the over borrowing was sustained. For an under-borrowed position, interest shall be charged to reflect the interest foregone through consumption of internal resources and at the average rate of all investments achieved during the period of under borrowing.

## HRA Debt Repayment Profile Compared with Debt Ceiling 2013-2042





**TITLE: Adur Homes Management Review**  
**REPORT BY: Head of Adur Homes**

## **1.0 Summary**

- 1.1 Adur Homes stands at an important juncture with the recent introduction of self-financing for the Housing Revenue Account, the retirement of the Executive Head of Adur Homes and a new corporate strategic direction set out in Catching the Wave.
- 1.2 These events have triggered the need for an independent review to consider the strategic choices facing Adur Homes on its future management arrangement. These range from full stock transfer, to partnership with another body, restructuring involving the wider Council, to an internal remodelling of resources in the service, to “no change” in the way the service is organised and delivered. It is generally recognised that “no change” is not an option for the service.

## **2.0 Background**

- 2.1 Following discussion with the Cabinet, iESE was commissioned by Adur Council to undertake an independent consideration of the future management options facing the Adur Homes Service, in order to provide the highest quality service to tenants and leaseholders while providing a cost-effective arrangement to maximize the value of the Housing Revenue Account. The review involved:
- a. An examination of the current position of the service in terms of its costs and performance;
  - b. An exploration of the future opportunities, and how different management arrangements and structural options can support achievement of the ambitions of the service;
  - c. Consideration of the impact of the options on the delivery of wider corporate objectives and on the General Fund.

## 2.2 Findings from the Review emerged in four areas:

- Future Opportunities
- Options for Delivering the Future Opportunities
- The Current Position: Strengths of the Service
- The Current Position: Areas for Improvement

A copy of the Adur Homes Housing Management Review is attached as Appendix 1 to this report.

## 3.0 Proposals

### 3.1 The iESE report summary states the following as a way forward:-

**‘The overarching recommendation is not to pursue the option of a wholesale transfer of management but to pursue a number of the in-house options suggested, to give Adur Homes the best chance of delivering the overall step-change that will be sought in the next 18 months’**

The review recognises that there are some good essential services that are currently being delivered within Adur Homes.

### 3.2 The options recommended in the iESE Report are set out in bold below in section 3.0. Your officers have added commentary against each recommendation, indicating how each recommendation might be further developed into an Implementation Action Plan for Adur Homes. The commentary is intended to give a flavour of the types of actions that are planned to take forward the recommendations. However it does not represent the full content of the proposed Action Plan. It is envisaged that work on the Action Plan will be led by the Head of Adur Homes and commence forthwith.

### 3.3 **Establish a Governance Board, to oversee setting, and delivery of, the strategic objectives for Adur Homes.**

The Report provides examples of how such governance has been used in other Councils and sets out proposed Terms of Reference for the Board.

If approved, it is envisaged that the Board would convene for the first time by 31<sup>st</sup> March 2014.



**3.4 Develop a more comprehensive framework of performance outcomes, reported to the Governance Board and monitored robustly, and covering all services provided by Adur Homes.**

The Report provides a set of Performance Indicators that can be used to create a robust performance management framework for the service. Adur Homes is a member of the Housemark Benchmarking service which provides a further opportunity to identify useful and practical performance measures. The Head of Adur Homes and the Director for Communities have also been researching the performance management arrangements for other social landlords and will feed this into the framework. One aim will be to ensure that what is being measured lines up with what Adur Homes wants to achieve going forward; include outcomes as well as outputs; be more holistic in approach including qualitative measures; and capture the ethos of 'Catching the Wave'. In undertaking this work your officers will also ensure it is coordinated with and complements the corporate review of performance management that is currently underway. A more robust system for reporting the progress of the Adur Homes Capital Programme will also be introduced as part of a review of the Surveying service.

**3.5 Develop a clear statement of strategic intent – a strategy for the new context Adur Homes finds itself in - in partnership with various stakeholders (through the new Governance Board).**

As a priority, the Head of Adur Homes will develop a new Business Plan focussing on outcomes with supporting policies to meet the strategic priorities. The Business Plan is to be rewritten rather than refreshed. A review of policies will include: Leasehold; Buy Back of leasehold flats; Rent Setting; Lettings and Nominations. The Business Plan will also set out the way forward for Adur Homes as a social landlord undertaking social housing development for the first time in many years.

**3.6 Consider a joint strategy post between the central Council and Adur Homes, or undertake better information exchange between the functions to address concerns around different priorities and procedures.**

As part of the creation of the Communities Directorate, the Director for Communities will undertake a review of the relationship between Adur Homes and Housing Services / Strategy in consultation with the Head of Adur Homes, the Housing Services Manager and the Housing Strategy and Enabling Officer.

**3.7 Integrate reactive repairs and planned maintenance teams to enable a holistic approach to property management.**

The Head of Adur Homes will consider the extent to which certain planned maintenance tasks or projects could be incorporated into the reactive repairs service.

**3.8 Reconsider integration of Technical Services and Adur Homes surveyors and examine the need to establish partnership arrangements to bring in external professional expertise for new build and development.**

It is proposed that this recommendation is taken as two separate actions. Firstly to consider the future management options for Surveying services in Adur Homes. This could include external partnering arrangements. As part of this review, Adur and Worthing Councils will also need to consider whether the review should include the Technical Services Surveying section.

Secondly, following the changes to Housing Finance, Adur Homes finds itself in the exciting position of being able to develop its own social housing. The expertise to undertake this work no longer exists in the service, therefore there will be a need to work with external partners to develop Adur Homes social housing.

**3.9 Take a lead on the Council's Community Wellbeing work in neighbourhoods where Adur Homes has a particularly strong presence.**

Stronger links will be established with Community Wellbeing, Community Safety and the Think Family initiative. In particular, Adur Homes will play a lead role in the emerging Think Family Neighbourhood initiative in Eastbrook, where Adur Homes is the main provider of social housing.

**3.10 Explore the business case for establishing a community partnership social enterprise involving the Community Alarms and Home Improvement Assistance services, to expand and bring even greater community benefit to these services.**

This has a strong potential fit with the enterprising communities aspect of Catching the Wave. Liaison with the County Council is currently taking place on the commissioning of Telecare services in West Sussex.

**3.11 Maintain a focus on the work started on developing more systemic end-to-end customer processes, ensuring the 'lean' Council contact operations works with Adur Homes repairs services.**

Adur Homes has recently pioneered the use of SMS texting in the repairs service and as such is a proponent of "digital by default". A review of customer contacts is currently underway to ensure we minimise unnecessary contacts with the Council by "getting things right first time". It is envisaged that "lean" process review and re-engineering will be applied throughout the Adur Homes service in due course. This work will form part of a wider lean review and re-engineering programme taking place in the Councils as part of the "Catching the Wave" agenda.

**3.12 The Future Opportunities and The Current Position: Areas for Improvement sections that are detailed in the iESE report have some recurring themes around strategy, performance management and customer services. A high level service review undertaken by the Head of Adur Homes in tandem with the consultants review supports these findings: there has also been a recurring theme around communication and relationships.**

**3.13 Adur Homes intends to carry out an improvement programme that includes the reshaping of the image of Adur Homes through:**

- Revamp website, Adur Homes logo, etc
- Promoting the successes of the service
- Re-framing relationships with tenants and leaseholders
- Improving communication internally and externally, and develop the use of social media.

These improvements will be incorporated into the proposed Adur Homes Action Plan.

## **4.0 Legal**

**4.1 The Housing Act 1985 provides the Council with the power to provide housing for rent and obligations for repair and maintenance of such housing.**

**4.2 Section 112 Local Government Act 1972 provides the Council with the power to appoint staff on such terms and conditions as appropriate.**

- 4.3 Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything which is calculated to facilitate, or is conducive or incidental, to the discharge of any of their functions.

## **5.0 Financial implications**

- 5.1 The Housing Revenue Account Report included as a later Agenda item at this meeting incorporates growth items that have been highlighted in the iESE report as areas for improvement:-

- Increase housing management staff 2fte                      £70,000
- Improvements to void properties                                £100,000

This expenditure has been agreed with Adur Consultative Forum. They have recognised the need for investment in services and agreed this expenditure as part of the rent setting process.

Additional expenditure may be required to take the three detailed in section 3.0 forward but this should be accommodated within the 2014/15 budget.

## **6.0 Consultation**

- 6.1 Details of the consultations undertaken by iESE are set out on page 2 of the Adur Homes Management Review. In addition, the Strategic Director (JM) met with Adur Consultative Forum (ACF) in October 2013 to discuss the scope of the review.
- 6.2 The Adur Homes Management Review Report was discussed at the ACF meeting on January 23<sup>rd</sup>. The ACF were in unanimous agreement that Adur Homes needed a Head of Service. They were concerned that the report did not make it clear whether this post would be a permanent role in the new organisational structure.

## **7.0 Recommendations**

### **7.1 The Cabinet is recommended to:-**

- (i) **Consider and note the findings of the iESE Report “Adur Homes Management Review”**

- (ii) Approve the recommendations of the of the IESE Report “Adur Homes Management Review” as detailed in Section 3.0**
  
- (iii) Request that the Head of Adur Homes in consultation with the Cabinet Member for Customer Services produce an Adur Homes Action Plan based on the recommendations of the IESE Report “Adur Homes Management Review” as detailed in Section 3.0**

### **Local Government Act 1972**

#### **Background Papers:**

Housing Revenue Account Budget report February 2013 and February 2014  
Housing Strategy  
HRA Business Plan

#### **Contact Officer:**

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## **Schedule of Other Matters**

### **1.0 Council Priority**

1.1 The draft Adur Homes strategic priorities are aligned with all the Council's priorities.

#### **Adur Homes will meet the Council's priorities by:-**

- Enabling new homes to be built to help meet the housing needs of our communities.
- Continuing to maintain current housing stock to the 'decency standard'
- Generating financial capital, increasing income and seeking external funding sources.

#### **Providing services that:-**

- are customer driven cost effective services. We will endeavour to adopt innovative and sustainable ways of delivering services.
- Drive continual improvement and efficiencies in services particularly in procurement and contract management.
- Reduce costs through 'Digital by Default' - getting more business online to ensure access to services is straightforward and convenient to the customer

#### **Develop positive community partnership working:-**

- By adopting a joined up working partner approach with a particular focus on meeting the well-being and social needs of our tenants.
- By encouraging positive neighbourhood communities.
- By applying the 'Catching the Wave' ethos. 'Cultivating enterprising communities by recognising opportunities, sharing knowledge and skills and 'getting out the way.'

The recommendations including in this report cover all aspects of the council priorities.

### **2.0 Specific Action Plans**

Matter considered and no issues identified

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified

**5.0 Community Safety Issues (Section 17)**

5.1 Matter considered and no issues identified

**6.0 Human Rights Issues**

6.1 Matter considered and no issues identified

**7.0 Reputation**

7.1 Matter considered and no issues identified

**8.0 Consultations**

8.1 Refer to Section 6.0 in the Report

**9.0 Risk Assessment**

9.1 Matter considered and no issues identified

**10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified

**11.0 Procurement Strategy**

11.1 Matter considered and no issues identified

**12.0 Partnership Working**

12.1 The recommendations will promote various partnerships within the community.







# Transforming Together

**Adur & Worthing Councils**

**Adur Homes Management Review**

Final Report: January 2014

## Executive Summary

Adur Homes does need to embark on a journey of improvement and modernization. The ambition of the Chief Executive to reshape the wider Council rapidly under Catching the Wave, suggests that real change in Adur Homes needs to be delivered at pace, within the next 18 months, to persuade all stakeholders that it is a business-like service for the Council, providing real social value to the Adur community. There are enough opportunities to sense that the Council does have a real asset in the service which could be greater than the sum of its parts, if a concerted focus is applied to its continuous improvement.

Wholesale reorganization or transfer of stock would risk 'throwing the baby out with the bathwater' in terms of some good essential services that are currently being delivered. But much more is needed in terms of strategic leadership and direction, and in the delivery of stock improvement. The key question is whether Adur Homes can deliver this alone. One view is that Adur Homes staff have not been 'tested' in terms of whether they can deliver this scale of change, and could step up to the challenge, and this is persuasive. Another is that it is unfair to set the service this challenge without necessary skills and support – this would be 'setting them up to fail', and would be doing a disservice to customers.

**For that reason, the overarching recommendation is not to pursue the option of a wholesale transfer of management but to pursue a number of the in-house options suggested**, to give Adur Homes the best chance of delivering the overall step-change that will be sought in the next 18 months. In summary, these in house options are as follows:

- **Establish a Governance Board, to oversee setting, and delivery of, the strategic objectives for Adur Homes.**
- **Consider a joint strategy post between the central Council and Adur Homes, or undertake better information exchange between the functions to address concerns around different priorities and procedures.**
- **Integrate reactive repairs and planned maintenance teams to enable a holistic approach to property management.**
- **Take a lead on the Council's Community Wellbeing work in neighbourhoods where Adur Homes has a particularly strong presence.**
- **Explore the business case for establishing a community partnership social enterprise involving the Community Alarms and Home Improvement**

Assistance services, to expand and bring even greater community benefit to these services.

- Reconsider integration of Technical Services and Adur Homes surveyors and examine the need to establish partnership arrangements to bring in external professional expertise for new build and development.
- Develop a clear statement of strategic intent – a strategy for the new context Adur Homes finds itself in - in partnership with various stakeholders (through the new Governance Board).
- Develop a more comprehensive framework of performance outcomes, reported to the Governance Board and monitored robustly, and covering all services provided by Adur Homes.
- Maintain a focus on the work started on developing more systemic end-to-end customer processes, ensuring the 'lean' Council contact operations works with Adur Homes repairs services.

## Scope of the Review

iESE was commissioned by Adur & Worthing Councils ('the Council') to undertake an independent consideration of the future management options facing the Adur Homes Service, in order to provide the highest quality service to tenants and leaseholders while providing a cost-effective arrangement to maximize the value of the Housing Revenue Account. To do this, the Review involved:

- a. An examination of the current position of the service in terms of its costs and performance;
- b. An exploration of the future opportunities, and how different management arrangements and structural options can support achievement of the ambitions of the service;
- c. Consideration of the impact of the options on the delivery of wider corporate objectives and on the General Fund.

To inform the Review, discussions were held with:

- a. The Cabinet Member with portfolio responsibility for Customer Service (Housing), the Deputy Leader and Leader of Adur Council;
- b. Tenant and Leaseholder representatives of the Adur Consultative Forum;
- c. The Executive Heads of Financial Services, Customer Services and Housing, Health and Community Safety, the Chief Executive and the Strategic Directors;
- d. Adur Homes' managers and staff representing all parts of the service. Managers were engaged jointly and individually, while 13 staff were consulted through a workshop session;
- e. Key managers leading priority corporate initiatives, namely the Community Wellbeing Manager, Customer Services Manager and Corporate Strategy Manager.

In addition, in the course of the Review, a range of Cabinet, budgetary and performance reports were assessed. A discussion was also held with Worthing Homes senior management.

The Review has been undertaken as a new interim Head of Adur Homes has started in post. At a time when they were keen to make improvements in management processes and operations, a risk of duplication of effort was possible. Therefore this Review was carried out in tandem with them, with the Review's focus being on the wider strategic choices and opportunities that faced Adur Homes, and the overall operating model(s) it might adopt to take greatest advantage.

More generally the Review has been undertaken at a time of change across Adur & Worthing Councils. The new Chief Executive's vision for the future (Catching the Wave) has been a valuable context for the framing of Adur Homes' own possible future.

Findings from the Review emerged in four areas:

1. Future Opportunities
2. Options for Delivering the Future Opportunities
3. The Current Position: Strengths of the Service
4. The Current Position: Areas for Improvement

## 1. Future Opportunities

This Review has been commissioned at this point as the Council recognises the service stands at an important juncture. The context of recent achievement and problems is informative but not conclusive of a future direction of travel, as even the weaknesses suggest opportunities to be seized. The list below illustrates the potential 'size of the prize' which an Adur housing service may look to achieve in the short and medium term.

### **Strategic Direction**

The Housing Revenue Account surplus and borrowing headroom allows more far-reaching thinking around development of new homes and additional support for investment in existing stock or tenant services.

The Chief Executive's Catching the Wave vision for an 'adaptive Council' and community social enterprises supports a fundamental realignment of the relationships between service provision and community empowerment. This can also involve a reconsideration of the engagement between Council, tenants (and leaseholders) and wider communities.

A new strategy based around outcomes for tenants, leaseholders, stock and communities can be developed. Services can be commissioned based on achieving these outcomes and priorities, which again chimes with the Catching the Wave focus on smart commissioning. Targets and aims can be 'holistic', identifying contributions from across services, and robustly monitored internally and externally.

### **Community Services**

Housing services can take the lead on delivery of sustainable, long-term community wellbeing and safety initiatives on behalf of the wider Council, working with 'Insight' to identify community strengths and assets.

Partnerships can be developed with statutory agencies such as the County Council on action areas and the building of community hubs, and with third sector providers, such as CAB, on provision of financial inclusion support.

The Community Alarms service can be expanded to support residents of all tenures, local businesses and statutory agencies. There is potential for exploring integration of the Home Improvement Assistance service into a wider community partnership also including the Community Alarm service.

### **Investment in Stock**

Adur Homes is in a position to take forward development of new build properties, either within partnerships with Registered Providers or independently.

A new stock condition survey, undertaken early in 2014, can inform and shape new capital investment priorities.

The HRA surplus might be utilised better to benefit the wider community. HRA resources could allow new approaches to be considered for communal and external improvements to address difficulties with individual leaseholders,

A 'hub and spoke' model can be considered for older people's housing, clarifying support provision from the County Council, with core sheltered housing improvements and development of dispersed community facilities for all older people.

### **Customer Services**

Systemic reviews of customer contact can build on the 'lean' approach of the Council's contact centre, to develop an end-to-end approach. The customer journey can be reshaped, with 'touchpoints' such as billing used for multiple purposes.

The advances in information technology initiated in housing can be used as a lead for the wider 'digital by default' initiatives for the Council. Self-service reporting, already in train, can be adopted and digital inclusion of tenants increased.

Tenant participation can be increased by digital means widening the day-to-day representation and engagement of tenants and leaseholders. The existing consultative forum can be brought more into the overall governance of the service.



## 2. Options for Delivering the Future Opportunities

In recent years the issue of how to fund stock improvement has been the central criteria for a Housing Service's 'options'. With self-financing in Adur this is no longer the case, and a strict financial options appraisal is not necessarily informative at this stage. Rather, the criteria for deciding on any particular option for the service should be based around **what will deliver the greatest 'outcome' or impact on the community while making the best use of the resources available**. Thus what is considered in this section is essentially a wider 'cost / benefit' assessment, which considers more the social value of the main options which appear to exist to best take advantage of the opportunities.

The first option concerns the central issue of stock transfer. The other options are a 'menu' of choices that could be adopted by Adur Homes, should the first choice be to retain the housing service. These options are not mutually exclusive; a number of them might be adopted together. An indicative 'ranking' of the options against key criteria is shown at Appendix A.

### Option 1: Wholesale Transfer

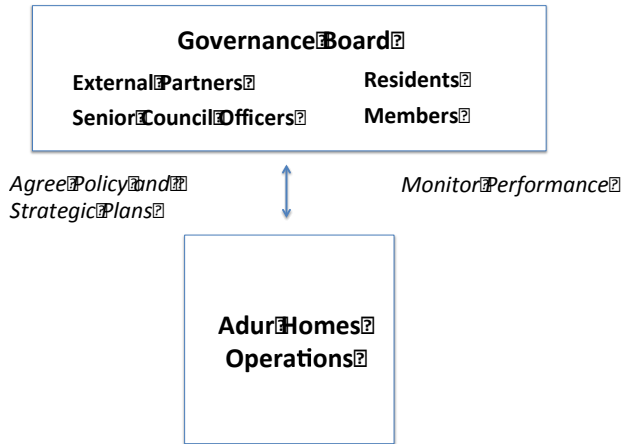
Transfer of stock to a new or existing Registered Provider could, on face value, allow the service to reshape and modernise free of local authority strictures and allow further freedoms to borrow on capital markets. There could be improved resilience, improved clarity of purpose, reduced overheads (which have been very high according to benchmark figures) and the assumption of developing more multi-skilled staff and modern practices.

However, the Adur context is critical. Tenants are clearly not convinced of the community benefit of such a transfer, and the likelihood is that a ballot would not be supportive of a transfer. With the 'carrot' of increased funding for stock improvement not applicable, the substantial investment of time and resource in preparation for a vote and financial modeling could be detrimental to real improvements over the short-term. The 'answer' of a fundamental reshaping of ownership before the 'question' of the outcomes the Council wishes for its housing service in Adur is addressed, may be premature.

An alternative approach of seeking an strategic partner, namely a Registered Provider, to operate Adur Homes under a form of management agreement would not be a stock transfer as such, but would still be likely to be opposed by tenants wary of losing their 'Adur' landlord. The bringing in of management expertise itself is worth pursuing over the short-term – on a consultancy basis – to support Adur Homes' own improvement journey, and it seems that the "door is open" in regard to utilising the advice and experience of local Registered Providers, without any suggestion of stock transfer. Attempting a more formal management contract

may well detract attention from the more necessary improvements needed within the business. At the present time it is suggested that Adur Homes management themselves are given the opportunity to implement necessary changes – based on the ‘in house’ options outlined below.

**Option 2: Strengthened Governance**



The consideration of strategic planning and performance management in Adur Homes has pointed to a need to implement far more robust governance of the service. The leadership and control of the service has been lacking – a result of a number of factors within the service and the wider Council. An option would be to establish a Governance structure along the lines of Council-owned Arms Length Management Organisation Boards, to ensure that stakeholders (tenants, leaseholders, Members, managers and critical friends) collaborate on setting the direction of the organisation and regular scrutiny and monitoring of performance and delivery.

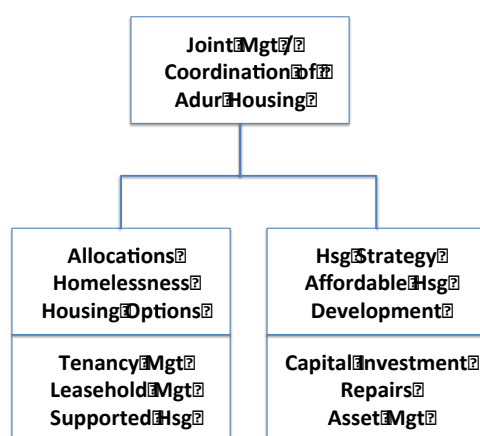
The risk is that this option would set up a layer of bureaucracy at a time when greater flexibility and empowerment of staff might be sought to truly modernise Adur Homes. The existing delegated powers of the Cabinet Member and senior officers, and responsibilities of and Adur Consultative Forum would remain, with the focus of the ‘Board’ being on the agreeing of strategic priorities of the service particularly around investment and development, and the ongoing oversight and scrutiny of key areas of performance. To that end, involvement of the strategic and housing need functions, and external expert opinion from local business and community sectors will be important,

A valuable role could also be in the oversight of devolved budgets – setting the framework for local resourcing of estate improvement, cleaning and ground maintenance to enable communities to take control of priority actions in estates. This could also be used to reinvigorate tenant engagement, with both ACF, other local resident associations and

individuals being able to contribute, or participate, in overall decision-making. However this does assume a will for greater involvement from residents which cannot be taken for granted.

The ongoing improvement of service performance to residents and building of strategic leadership are central to the future of Adur Homes. **The Governing Board can be seen as pivotal to this, and as such should be established early in 2014, with a view of the setting of the strategic objectives for the service.** A suggested terms of reference for the Board is at Appendix B. Good examples of such a board for stock-retaining authorities are found in Bournemouth and Wiltshire – and their terms of reference are at Appendix C. It is worth noting that these Boards ‘fit’ with existing governance arrangements by having regard and maintaining existing delegated authorities. The Boards are therefore an advisory and scrutiny body to assist exist decision-makers, and bring wider knowledge and expertise to decisions.

### Option 3: Closer Alignment with Housing Strategy

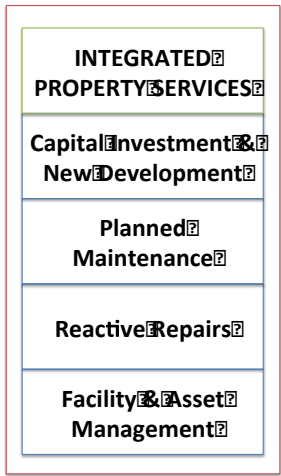


There are suggestions that the client / contractor split between the Council’s Housing Strategy and Enabling function and Adur Homes’ Housing Management and landlord function has thrown up some difficulties in both strategy and operational areas.

Some view the split detrimental to effective joined-up solutions for both clients and staff. Integration of services under one service lead, with the possibility of shared posts and integrated processes could be beneficial to allow more holistic focus on residents needs. However it is possible that a concerted effort to ensure better liaison between lettings and housing management staff (already underway) could address the issue without a wholesale change in working practices. This could also allow a more joined up process for the management of void properties, to enable the right quality standards to be pursued, rather than having separate targets for turnaround in the repairs teams, which do not necessarily align with Choice Based Letting timescales.

The nature of Adur & Worthing (joint) councils, with other Registered Providers being present in the areas might raise some issues about a potential imbalance between clienting of Registered Providers and direct provision, so the impartiality of any housing strategy client role would need to be kept separate from any integrated working between housing enabling and Adur Homes. This overall client function in relation to Adur Homes would be fulfilled by involved in a governance board. The involvement of other local Registered providers on the board would need to stipulate their role and function as a critical ‘strategic’ friend, separating this role from that of being an independent Registered Provider.

**Option 4: Integrated Property Management Services**

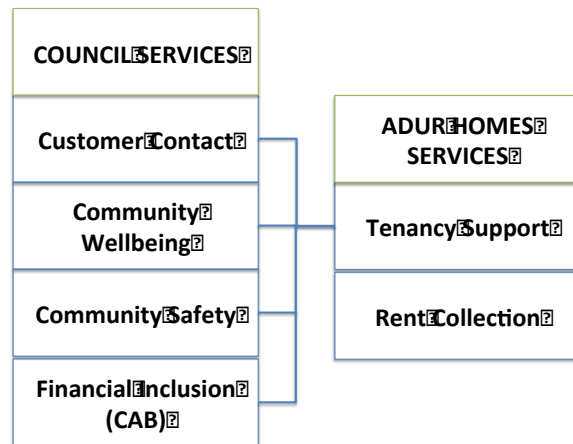


The division between planned and reactive maintenance is understandable in terms of operational management, but it risks perpetuating a confused view of stock management which does not fully utilise interventions around buildings or take a lifecycle approach to costing, i.e. planned interventions reducing ongoing reactive work. The efficiency from taking a holistic view of stock management – integrating reactive repairs and planned maintenance plans and systems and building a more multi-skilled workforce – could be significant.

Better integration could also bring about greater consistency and coherence in contracting. Contract management and procurement processes have caused difficulties in planned maintenance, and generally invoicing and use of preferred suppliers is in need of redesign (as a separate iESE review is assessing). Reconsidering work packages and frameworks across stock repair and maintenance could be valuable in this wider context.

There are undoubtedly distinctions between the skill sets of surveyors and repairs operatives, and the difference in management challenges in dealing with emergency repairs as opposed to major works is clear. **However the desire for an integrated view of property maintenance and stock condition would suggest that closer and joint management of reactive and planned teams would be beneficial.**

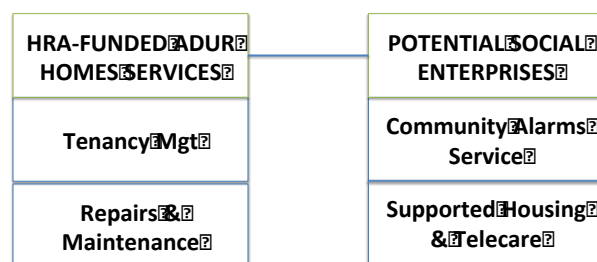
## Option 5: Neighbourhood Tenancy and Wellbeing Services



Tenant based services appear to be a quiet success of Adur Homes, delivering ongoing tenancy support, tenant engagement, and partnership working around community wellbeing and anti-social behaviour. The Council has its own initiatives around Wellbeing and Support. All those involved recognise the natural alignment of this work and the potential from greater joining-up. There is however some question about the tension between Adur Homes' long-term 'on the ground' delivery and the more strategic 'project' focus of the Council's work. A true integration of the work, with Adur Homes taking the lead on behalf of the Council on Think Family work in certain neighborhoods where they have a significant presence would give greater focus and reduce duplication of activity, and is worth working through with the Council's teams.

There is an understandable fear in Tenancy Management of overburdening staff and losing the individual 'wrap around' work on rent collection and support for tenants. **The possibilities of building on traditional housing management to support the reshaped "enterprising" communities sought under Catching the Wave might make this option worth serious consideration.**

## Option 6: Social Enterprises and Mutuals

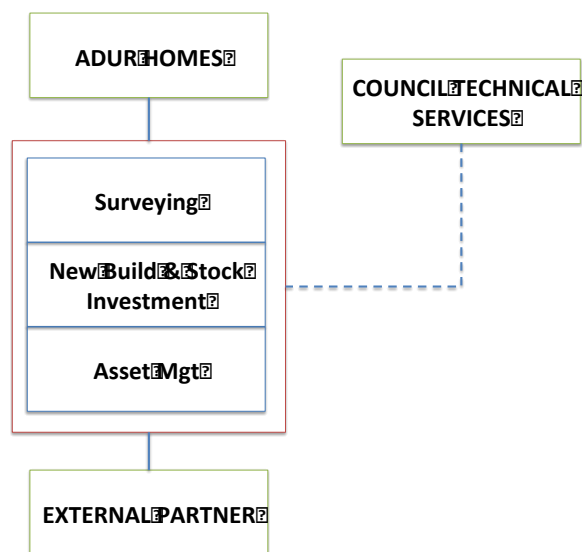


Unlike the social care sector there are currently few examples of 'spin-outs' of services in housing. However recent reports have challenged policy makers and commissioners, including local authorities, to promote and support co-operative and mutual housing developments for older people and invest in innovative and progressive developments of this type. The remodeling of Sheltered Housing post-Supporting People has proved difficult for both Adur Homes and the County Council. The move away from support, to a better and more community focused use of stock could include consideration of the benefit of a cooperative approach.

The Catching the Wave agenda makes clear that social enterprise and commissioning a mixed economy of supply will be at the centre of the Councils' ambitions in coming years. The report suggests that *"We need to support fledglings until they are ready to fly. We must not forget the importance of aligning small funding pots as well as maximising the larger opportunities for Social Investment"*. Therefore, particularly in non-core HRA landlord services, there should be real consideration of the appetites and skills that already exist in Adur Homes which could be 'let free to fly' under a new community based social enterprise arrangement.

The Community Alarms services can evidence success, and is seen favourably as a Council asset. It is apparent there is opportunity for expansion of services (outside the client base and the district), and the potential of 'telecare' for older people is great. **The enthusiasm for growing this community service is apparent, and it would especially seem to lend itself to serious consideration of the costs and benefits and greater freedom through being a Community Interest Company or 'mutual'.** The realization of staff's ambitions – for income generation, expansion in other districts, or in working alongside the community more free of local government standing orders – would be likely to outweigh any financial or service risks from a new form of social delivery. With the Chief Executive clearly wanting the Council to support such 'fledgling' enterprises, an appraisal of the possibilities should be considered.

## Option 7: Partnerships for Investment and Development



Adur Homes has faced challenges in its Decent Homes programme and various contract managements. In addition there is a recognition that it does not possess the specialist resources needed to embark upon new build and wider regeneration initiatives, which is not surprising in view of the lack of such development in recent years.

There have been moves to merge the surveying service with the Council's Technical Services, and this is currently in abeyance whilst consideration of that service is undertaken. **This integration of Technical Services and Adur Homes surveyors should be considered again**, albeit recognizing that such a partnership needs to work on the basis that the requirements of working in people's homes and dealing with leasehold issues is an essential skills set which will need to be fully embraced by Technical Services, where a more property-based approach may be more prevalent.

Therefore a more comprehensive reshaping of surveying and design services may be required for Adur Homes. **Establishing partnership arrangements to bring in external expertise – from a local Registered Provider – would be one avenue to pursue.** A more formal market testing of local contractors could also meet the commissioning approach that the Council will be adopting. This Review stops short of appraising the sub-options that are possible, but an exercise to identify which specific activities could benefit from external partnership, and to commission them, might be desirable prior to the deliver of investment and development which will emerge from the stock condition survey in early 2014.

### 3. The Current Position: Strengths of the Service

#### (a) Finances

The financial context of Adur Homes in 2013-14 is pivotal to decisions about its future. Previous constraints caused by the regime of an annual £2.9m negative subsidy were ended by the self-financing settlement in 2012. With HRA general reserve balances in April 2013 being £2m, Adur Homes has effectively found itself in a new era, as an organisation in an advantageous financial position. At a time of public sector funding reductions, this is an unusual situation, and one that allows consideration of growth, development and investment.

As stated in the 2013 Budget Report the financial plan assumes that the Council will be able to increase incrementally the amount allocated to the improvement and investment of existing stock. Headroom for additional borrowing was assumed to be £4.1m in 2014-15 rising to £6.5m in 2016-17, which allows further choices to address some of the issues of supply of affordable homes in the district. The Council has now a valuable asset in the shape of Adur Homes and its financial position. The choices are around how the community can best benefit from this asset, and how the service can best be used by the Council.

#### (b) Service Performance

Interpreting performance in Housing Services often involves art rather than science: Tenant views of quality are often at odds with the pursuit and achievement of operational targets. However as a baseline gauge of service 'health', performance indicators are a necessary first port of call. Against the basket of sector indicators, Adur Homes' recent performance might be seen as being variable – though good in some key areas. An extract of all recent performance measures is shown at Appendix D, but the following table shows the 2012/13 national position of Adur Homes for some principal benchmarking measures.

<b>Top Quartile</b>	Emergency Repairs done within time Urgent Repairs done within time Rent Collection (general needs) Rent lost through dwelling being vacant
<b>2<sup>nd</sup> Quartile</b>	Routine Repairs done within time Former tenant arrears
<b>3<sup>rd</sup> Quartile</b>	Average re-let time
<b>Bottom Quartile</b>	Rent Collection (general needs <u>plus</u> older peoples) Time taken to answer telephone calls Average end-to-end time for all reactive repairs



Therefore in both rent collection and more urgent responsive repairs, Adur Homes might be seen to be delivering a good basic landlord service. (Issues around less good performance are considered later in this report).

Beyond the quantifiable measure of success, a number of activities are cited as being illustrative of good services provided by Adur Homes. These include:

- Tenant liaison and engagement. Residents are supportive of the level of support provided by those involved in tenant participation.
- Family support. Involvement in the Think Family initiative around early intervention has seen officers work collaboratively with other agencies across 15 families, and has resulted in success in preventing evictions and subsequent homelessness.
- Community payback. A successful and sustainable initiative to have young offenders work with the repairs service to undertake light maintenance work has brought dividends in improving community environments.
- Community alarms. This service is valued by tenants, and is an income generator, but also has expanded in pilots to local business to support and protect lone workers.
- Information systems. Work has progressed on a number of technology initiatives, including SMS texting to residents, which is seen as being a valuable element of the Councils' digital inclusion agenda.
- Sustainability. Work on bringing in funding for 'Eco' projects (insulation and photo voltaics) has been taken forward in tandem with the wider Council.

### **(c) Service Ethos**

Equally hard to quantify, but equally noteworthy, is the underlying ethos of the service. Adur Homes is recognised to be a 'social' housing service, having an empathetic view of tenant issues. The work with Housing Strategy on the joint tenancy strategy is cited as an example of this, with tenants involved in a review which ultimately agreed to maintain the 'status quo' of tenancy arrangements. The rationale for this, and the previous consideration of stock transfer, placed a priority on the social provision of a housing service in Adur.

This ethos has not meant the service has avoided some difficult decisions. There have been shifts to modernise the service, running counter to prevailing tenant views, including the closure of Local Housing Offices, and the cash office.

## 4. The Current Position: Areas for Improvement

### (a) Strategy

A concern prevalent across stakeholders is that Adur Homes has lacked the necessary direction and leadership to enable it to have a coherent and consistent view of its future and to enable it to adjust to the self-financing regime. It is difficult to gainsay this view. However, it might be contended that wider strategy of housing in Adur district needs to be reconsidered. There are two elements to this:

- i. The overall Adur and Worthing Housing Strategy sets out the Councils' housing priorities for the period 2012-17. Its six priorities are broadly comparable with other such local authority housing strategies. However only 1 of 21 action areas refer specifically to the accountability for delivery by Adur Homes. This action is *"Invest in Adur Homes stock and explore opportunities presented by HRA reform."* The Councils' Housing Strategy was produced at a time when the appetite and capacity for taking forward the opportunities presented by HRA reform was not clear. The true strategic aims of Adur Homes as of 2014 therefore need to be reframed and inform the overall Housing Strategy.
- ii. The expectation therefore might be that the Adur Homes Business Plan is the vehicle by which the strategic direction of the service is set. However the plan, and the subsequent updates are limited in their strategic approach. In truth the plan is primarily focused on the delivery of landlord functions and inward looking processes and activities. The four priorities are not clear enough to set the drumbeat for the service (i.e. *"provide an efficient, high quality housing service that delivers value for money"* or *"promote safe, sustainable communities and provide services that take account of diversity and respect individual needs"*), and unsurprisingly the interim Head of Service has begun to reconsider priorities in alignment with overall Council priorities.

An example of the strategic 'direction' needed is around Right to Buy (RTB). New regulations under self-financing and market circumstances have changed over the course of 2012-13 to the extent that RTB and the subsequent loss of stock now poses a significant issue for Adur Homes. This was recognised in the 2013 HRA Budget Report, which concluded by stating that *"officers will be modeling scenarios to evaluate the impact"* of the new context. Looking at the choices (limited through they may be) affecting stock numbers, such as RTB and 'buy back', over the medium term, needs to be done at this more 'strategic' level. **A clear statement of strategic intent – a strategy for the new context Adur Homes finds itself in**

**- needs to be developed, and in partnership with various stakeholders (through the new Governance Board).**

## **(b) Performance Management**

Allied to a need for improved strategic planning is the issue of a more robust approach to performance management. It is axiomatic that if a service is unsure about its direction, then it will have difficulties in articulating what success looks like for it. This is the case in Adur Homes, where in the absence of clear evidence, perceptions abound – views within the Council range from beliefs that Adur Homes is a good and valuable service to those that associate it more with being a backward-looking, coasting organisation.

This problem of perception stems from a lack of visibility of performance and external monitoring. Basic performance measures such as those at Appendix D are not seen outside the service. The Cabinet Member with responsibility for Housing receives a fortnightly report, but this is not always completed by all services, and mixes major strategic issues with local incidents and detailed operational information.

There are few channels for disseminating information of ‘people based’ services such as Tenancy Management, to inform external parties of some of the positive achievements referred to in the previous section – performance indicators are limited to process, not outcomes. This is not just a matter of producing management reports for their own sake. The lack of performance management and ‘governance’ may have been a major contributor in requiring Councillors to become overly involved in the operational management of recent issues – especially around contract management – as confidence was lacking in the service itself resolving issues.

Additionally there needs to more consideration of end-to-end ‘joint’ performance targets (which are wider than just one activity). For example in handling void properties for example, different targets are at work – repairs operatives aim for a 2 day turnaround, allocations staff seek to ensure Choice Based Lettings are made available promptly, tenancy support targets focus on minimizing rent loss. Thus rather than seeing work on a void property as a holistic endeavor where various staff have a contribution to make to the overall aim, objectives are ‘silo based’ and run the risk of working against each other (i.e. quick turnaround versus high internal standards).

**There is a clear need for a more comprehensive framework of performance outcomes, reported to a Governance Board and monitored robustly, and this needs to be established to ensure it properly covers all services provided by Adur Homes.**

### **(c) Customer Service**

The performance measure showing incoming calls taking a minute or more to be handled is concerning. It is apparent that making the contact process work following the shift from a Adur Homes Repairs service to the Council's Corporate Contact Centre has been a "battle" for all involved. Blame is attributed between the two parties, and tenants are unimpressed and frustrated. Perceptions are that joint working is improving, but this has yet to be borne out in results. **Maintaining a focus on the work started on developing more systemic end-to-end contact processes, ensuring the 'lean' Council centre can work properly with repairs operatives, will bring benefits.**

More generally, the customer strategy for tenants in Adur has not been clarified following the move of the majority of the service to Worthing, within the overall corporate centralisation. There is an element of fragmentation around the district, and currently the interim position prior to any new office presence in Adur is unclear to tenants. 'Agile' and neighbourhood working does bring possibilities, but the overriding impression is one of 'drift'.

There is an implicit recognition that role of the Tenancy Management service may have been under-emphasised in recent years. Benchmarking shows that a housing management staffing of 4 per 1000 properties in 2010-11 is low and this has reduced further. The appointment of two further Tenancy Support Officers has been suggested by the new Head of Service as a valuable investment of resources in this area of customer services.

**Clarity over the customer service presence – or what the ultimate ambition is (particularly in terms of self-service, where targets should be set) within Adur would be beneficial.**

### **(d) Alignment with Council Housing Strategy functions**

The strategy / provider split is a common feature of housing services, but with the changes to self-financing regulations, it is not set in stone. There are suggestions that the split contributes to a convoluted lettings process, with allocation with the Council, and tenant visits and introductions with Adur Homes. More critically, there is a perceived lack of control in Adur Homes in terms of the lettings policy towards adapted properties and sheltered housing, where a more informed process of client needs and risk assessment would bring benefit for sustainable and appropriate matching of client and property, before the Choice Based Lettings process is undertaken. Similarly there are concerns that the wider support issues around welfare reform 'strategy' is unclear, i.e. in where the 'buck stops' for working with clients on financial inclusion. **Possible solutions lies in the establishment of a joint**

**strategy post between the central Council and Adur Homes, or simply in better information exchange between the functions.**

**(e) Major Works / Planned Maintenance**

The recent challenges of major investment activity in Adur Homes stock, has, to a large degree, coloured many stakeholders' perceptions of the whole service. The problems with contract tenders, and the ongoing slippage in works (reported to Joint Strategic Committee in February 2013 as being £1.1m of kitchen and bathroom works, and £0.5m of external work in Fishersgate in 2012-13) has raised questions about the capability of the Surveying Service, and the management of Adur Homes. Councillors and senior Council staff raise this issue immediately, as if it is symbolic of all Adur Homes performance.

The issues surrounding capital investment are numerous and well-known, but for this Review, it may be sufficient to raise the following points:

- There is a lack of specialist resource to support development work, e.g. in new build and architecture, sustainable development and structural engineering).
- There is concern that contract management is not consistently robust in terms of audit trails, sign-offs, variations and record keeping (a separate IESE review of procurement across the Council provides some indication that this is an endemic issue). The recruitment of a Clerk of Works in Adur Homes will be key to addressing this issue.
- Major works on external decoration are now done on a 7 year cycle which leaves some blocks looking particularly under-maintained.
- There is a conflict of priorities in major works on communal infrastructure where leaseholders are involved, resulting in abortive or stalled work, and the leaseholder effectively holding the influence over the whole works.
- The process for leaseholder consultation is convoluted, overlong, and results in some cases going missing between leaseholder management and surveying services – with the result that the leasehold administrator is often chasing up months after the consultation.
- There is – as shown at Appendix C – a lack of information on overall performance in this area (although the fortnightly updates are given to the Lead Member).

**Potential for improvement in Major Works and Capital Investment form the basis of most strategic transfers of housing stock. This features strongly in the latter sections on opportunities and options.**

**(f) The Professional Culture**

Perceptions around Adur Homes are strongly held, and extend into the 'culture' of the services. While the socially minded ethos of staff is acknowledged, it is fair to report – although not judge – on some of the views of the service's professionalism in recent years. These include:

- A lack of 'modern thinking' in some areas – using tried and tested manual methods rather than wholeheartedly embracing the benefits of a joined up collaborative information system (Orchard)
- A culture of being 'right', with blame pushed to other Council staff
- A culture of over-management and over-processing, rather than empowering staff to take informed risks
- A good but perhaps overly 'cosy' relationship with tenants at the expense of a business-like approach

This – like much of the diagnosis of past weakness – may be open to debate. It cannot be ignored though as context for the consideration of Adur Homes' future.

## Appendix A: Indicative Option Assessment

Criteria	Maximise use of HRA / GF	Improved service to tenants	Improved cross-cutting delivery	Improved leadership	Greater enterprise	Total
Weighting	2	3	2	3	2	

OPTIONS						
1. Wholesale Transfer	3 (6)	3 (9)	2 (4)	4 (12)	2 (4)	35
2. Strengthened Governance	3 (6)	4 (12)	3 (6)	5 (15)	1 (2)	41
3. Closer Alignment with Housing Strategy	3 (6)	4 (12)	4 (8)	3 (9)	1 (2)	37
4. Integrated Stock Management	4 (8)	4 (12)	2 (4)	3 (9)	2 (4)	37
5. Neighbourhood Services	3 (6)	3 (9)	5 (10)	3 (9)	2 (4)	38
6. Social Enterprises and Mutuals	4 (8)	3 (9)	3 (6)	3 (9)	3 (6)	38
7. Partnerships for Investment	3 (6)	4 (12)	3 (6)	4 (12)	2 (4)	40

## **Appendix B: Suggested Adur Homes Governance Board ‘Terms of Reference’**

### **Purpose**

- To develop and agree the overall strategy and priorities for Adur Homes
- To consider key annual policy decisions, notably in rent-setting and Capital Investment
- To monitor (high level) service performance and standards, recognise and celebrate achievements, and monitor actions to address shortfalls
- To act as a conduit for tenant and leaseholder expectations and views to influence strategic planning
- To oversee the Annual Report of Adur Homes and the ongoing communication of matters with tenants and leaseholders
- To oversee the framework for delegated powers and budgets to resident bodies, notably in Environmental Improvement

### **Composition**

- Cabinet Member for Customer Services (chair)
- Representative of Adur & Worthing Council Senior Management Team
- Head of Adur Homes
- Head of Housing Strategy and Enabling service
- Member of a local RSL Senior Management Team (invited as a critical friend)
- Representative of Adur Consultative Forum
- Community sector representation
- Business sector representation

### **Operation**

- To be established early in 2014
- To meet monthly for the first three months of its operation, to meet bi-monthly thereafter.
- To consider issues of a strategic nature, agendas should be short and time-limited, involving the following:
  1. Actions arising
  2. Overall position against strategy
  3. Individual performance ‘clinics’ involving two services per meeting on a rolling basis (service managers being invited to attend)
  4. Tenant and leaseholder issues and communication



## Appendix C : Bournemouth Council : Housing Governance Board Terms of Reference

### 1. Definition

**1.1** The Housing Governance Board – HGB - is a decision making body set up to consider key issues affecting the Council's self-financing Housing Revenue Account – HRA - and landlord services namely the management, maintenance, improvement and development of council tenancies and homes.

**1.2** The HGB will have regard for the Council's powers, responsibilities and constitution, including the system of delegated authority.

**1.3** The HGB will not be involved in day-to-day operational matters or matters of detailed service delivery or performance.

### 2. Purpose

**2.1** The aim of the HGB is to contribute to the delivery of efficient and effective landlord services. It will aim to contribute to the Housing Landlord Services mission: *'To provide good quality well managed and maintained homes for rent in a place where people want to live'*.

### 3. Key Aims

- Advise on the HRA Business Plan, the detailed plan setting out the objectives of the Council's HRA and the strategy and plans to achieve them, and monitor service delivery against it.
- Review and approve HRA performance indicators.
- Monitor the performance of HRA services through performance indicator reports and financial management statements.
- Monitor delivery of the HRA Asset Management Plan, the detailed plan for the maintenance, improvement and development of the housing stock and other HRA assets, and the annual programme of works.
- Review reports on HRA budgets and capital & revenue expenditure and income.
- Review reports on the HRA risk management and business continuity arrangements.
- Be consulted on the content of draft HRA reports on key decisions prior to submission to Cabinet.
- Be consulted on the proposed annual HRA rent increase, garage rents and tenant service charges prior to submission to Cabinet.
- Review and approve policies and procedures used to deliver HRA services.
- Receive reports and reviews from tenant Standard Groups and Panels.
- Receive reports on new and existing HRA service initiatives.
- Review, approve and monitor HRA service standards.
- Be consulted on key changes to HRA strategy, key policies, significant service changes and development proposals.

### 4. Membership of the HGB

**4.1** Membership is to reflect, where possible, the disposition of the Council's housing stock across the Borough and will comprise:

- Five Councillors

▪ Five Tenants / One Leaseholder

**4.2** The Chair and Vice-Chair will be elected from, and by, the HGB members. Where the Chair is a Councillor then the Vice-Chair will be a tenant or leaseholder; and vice versa.

**4.3** Tenants and leaseholders will be selected through a combination of recruitment, application and interview undertaken by Housing Landlord Services. The selection will be in accordance with good practice.

**4.4** Tenant and leaseholder members will be appointed for a term of three years. When the HGB is first set up half the tenant and leaseholder members will be appointed for a two year period to ensure continuity.

**4.5** At the end of their initial two/three year term tenant and leaseholder members may stand again for selection for a further three year term. Tenants and leaseholders may not be members of the Board for more than five/six years in total.

**4.6** The Service Director of Housing Landlord & Parks, and other staff as appropriate, will attend and advise the HGB.

**4.7** The Service Director of Housing Landlord & Parks will retain delegated decision-making authority in accordance with the Council's constitution.

## **5. Organisation of the HGB**

**5.1** Housing Landlord Services staff will facilitate the functions of the HGB.

**5.2** The HGB will meet quarterly. The dates, times and venues will be set on a rolling twelve month cycle.

**5.3** The Service Director of Housing Landlord & Parks may call an emergency meeting with a minimum of seven days' notice to all members of the HGB. The notice shall set out the reasons for calling a meeting.

**5.4** Three members of the HGB may call a special meeting. A written notice setting out the reasons for the meeting must be sent to the Service Director of Housing Landlord & Parks and signed by each of the members. The Service Director will then give seven days' notice to the HGB.

**5.5** Meetings of the HGB will be quorate provided there are at least six members in attendance of which three must be tenant and leaseholder members.

**5.6** Minutes of previous meetings will be circulated within ten days after the meeting.

**5.7** Agendas and supporting papers will be sent to members at least one week prior to meetings of the HGB. Late reports will be circulated as soon as possible and the HGB will determine whether to consider them.

**5.8** Members of the public may attend any HGB meeting. However, where confidential or exempt information is likely to be disclosed, the meeting, or a part of it, will be held in private.

**5.9** Members of the public may submit questions or make statements to the HGB, provided they concern matters within the remit of the HGB and are received ten days in advance of the meeting.

**5.10** Members of the HGB must disclose the existence and nature of any personal interest which they have in any item of business to be considered at a HGB meeting, ahead of its discussion.

## **Appendix C : Wiltshire Council Housing Board overall aim**

Wiltshire Council's Housing Board considers, reviews, scrutinises and offers advice on issues relating to Wiltshire Council's business and tenancy services, and asset management, related to housing services activities. This may include allocation, development, improvement, maintenance and management of Wiltshire Council tenancies and homes.

## Appendix D: Adur Homes Performance Indicators

Service Area	Performance Indicator	2012/13	2013/14 Q1	2013/14 Q2
Tenancy Management	Number of anti-social reports (no target to monitor only)	20	18	7
	Percentage of anti-social behaviour reports responded to within 7 days	98%	100%	98%
	Percentage of post-tenancy sign-up meetings held within 3 weeks	88%	90%	98%
	Percentage of closed ASB cases that were resolved			
Community Alarms	Installation of units within 5 working days	100%	100%	100%
	Contact each client at least once a year @ another visit/telephone check	99.50%	97%	99.50%
	Respond to fault calls within 1 working day	100%	100%	100%
	Number of Community Alarm users at end of period (no target to monitor only)	1,045	1,049	1,053
Planned Maintenance	Percentage of dwellings with a valid gas safety certificate	99.86%	99.91%	
	Customer satisfaction survey for capital improvement works			
	Quality of work (contractor)			
	Keep appointments (contractor)			
	Pleasant/helpful (contractor)			
	Tidy up (contractor)			
	Council staff polite and helpful			
	Overall satisfaction level			
	Percentage of capital budget spent (4th quarter)			
	Percentage of homes that fail to meet the Decent Homes standard			
	Average energy efficiency rating of dwellings (based on SAP 2005)			
Repairs	Customer satisfaction of Council's response	95.6%	96.04%	
	Customer satisfaction of quality of repair	96.3%	95.06%	
	Percentage of orders that are prioritised emergency	17.6%	19.50%	
	Annual average response maintenance costs per property/per year (HRA dwellings)			
	Percentage of jobs having value increased without being pre-inspected	29.6%	29.8%	
	Percentage value increase from the original orders for unauthorised variations	32.1%	29.2%	
	Ratio of capital improvement programme, planned maintenance, response repairs, voids (at end of year)			
	Ratio of planned to responsive repairs (at end of year)			
	Responsive repairs budget (including voids) under/overspend (at end of year)	£260,130		
	Percentage of emergency repairs completed within target time	100.00%	100.00%	
	Percentage of urgent repairs completed within target time	99.97%	100.00%	
	Percentage of routine repairs completed within target time	99.27%	97.86%	
	Percentage of reactive repairs completed within target time	99.30%	98.49%	
	Average end-to-end time for reactive repairs	13.29	16.92	
Leasehold Management	The percentage of response to RTB1 applications served within timescale	83.33%	83.33%	91.67%
	The percentage of offer of sale (£.125) served within timescale	77.78%	0%	75.00%
	Number of properties sold during quarter (not cumulative, no target to monitor only)	12	13	13
	Average sale price of properties sold (no target to monitor only)	£79.63	£0	£84.33
Tenant Liaison	Training hours for tenants	148	18	174
	Number of resident associations (at end of period)	11	10	11
Rent	Rent collected as a percentage of rent owed (excluding arrears b/f) (GN&N ONLY)	100.74%	103.31%	100.17%
	Current tenant arrears as a percentage of the annual rent roll (excluding HB adjustments) (GN&N ONLY)	2.03%	0.84%	2.36%
	Former tenant arrears as a percentage of the annual rent roll (GN&N ONLY)	1.27%	0.40%	1.30%
	Rent written off as a percentage of the annual rent roll (GN&N ONLY)	0.16%		
	Percentage of all tenants who have been evicted for rent arrears (GN&N ONLY)	0.09%		
	Percentage of rent lost through dwellings being vacant (GN&N ONLY)	0.42%	0.48%	0.37%
	Rent collected as a percentage of rent owed (excluding arrears b/f) (GN&H&FOP)	100.07%	89.31%	94.57%
	Current tenant arrears as a percentage of the annual rent roll (excluding HB adjustments) (GN&H&FOP)	1.80%	1.99%	2.06%
	Former tenant arrears as a percentage of the annual rent roll (GN&H&FOP)	1.18%	1.01%	1.20%
	Rent written off as a percentage of the annual rent roll (GN&H&FOP)	0.21%		
	Percentage of tenants who have been evicted (GN&H&FOP)	0.08%		
Voids	Percentage of rent lost through dwellings being vacant (GN&H&FOP)	0.49%	0.45%	0.42%
	Percentage of dwellings that are vacant and available to let (GN&N only)	0.30%	0.26%	0.39%
	Percentage of dwellings that are vacant but unavailable to let (GN&N only)	0.00%	0.00%	0.00%
	Average re-let time (calendar days) (GN&N only)	25	31	27
	Percentage of dwellings that are vacant and available to let (GN&H&FOP)	0.30%	0.26%	0.45%
	Percentage of dwellings that are vacant but unavailable to let (GN&H&FOP)	0.00%	0.00%	0.00%
	Average re-let time (calendar days) (GN&H&FOP)	25	31	28
	Average time taken to answer inbound telephone calls (in seconds)	59	54	89
Staffing	Voluntary staff turnover	1.35	2.56	
	Involuntary staff turnover	2.7	0	
	Total staff turnover	4.05	2.56	
	Average working days lost due to sickness/absence	7.39	1.88	





**Wards:** St Marys, Marine, Southwick Green, Eastbrook

## **Shoreham Harbour Regeneration – Draft Joint Area Action Plan for Public Consultation**

### **Report by the Executive Head of Planning, Regeneration and Wellbeing**

#### **1.0 Summary**

- 1.1 This is the first full draft of the Shoreham Harbour Joint Area Action Plan (JAAP) which is a 15-20 year plan to guide the regeneration of Shoreham Harbour.
- 1.2 The JAAP is a Development Plan Document (DPD) which will sit underneath the Adur Local Plan (and Brighton & Hove City Plan) when adopted to provide further detail on the Shoreham Harbour Regeneration Area. The JAAP forms part of the Local Development Frameworks for Brighton & Hove and Adur District.
- 1.3 The draft JAAP has been reviewed by the Adur Planning Committee and the Cabinet is now asked to approve it for public consultation (for a ten week period).

#### **2.0 Background**

- 2.1 The regeneration of Shoreham Harbour has long been an aspiration of the three partner authorities – ADC, BHCC and WSCC – and the Shoreham Port Authority. Since 2010 significant technical work has been undertaken by the local authorities to determine the appropriate scale and land use mix to plan for at the harbour taking a bottom-up approach, in consultation with the local community, landowners and stakeholders. The current plans aim to provide a pragmatic balance between the aspirations and ambitions for a new waterfront community and the commercial realities of bringing forward complex, brownfield sites under current market conditions.
- 2.2 Both the emerging Adur Local Plan and the Brighton & Hove City Plan identify the regeneration of the harbour in their strategic objectives and also contain a high level planning policy that identifies the harbour as a 'Broad Location' for future strategic development. Both these policies list the Area Priorities for each of the harbour's seven Character Areas and state that the detailed policies and proposals will be set out within the JAAP.
- 2.3 The purpose of the JAAP is to identify a set of realistic, deliverable, locally supported and sustainable proposals for Shoreham Harbour and to manage the impacts of development over time. The Plan is a joint Plan because it has been produced by Adur Council, Brighton & Hove City Council and West Sussex County

Council. The Shoreham Port Authority has also been closely involved in its production.

- 2.4 The area covered by the JAAP stretches from the Adur Ferry Bridge in the west through to Hove Lagoon in the east. Shoreham Harbour is distinct from its surroundings due to its concentration of industrial and employment uses, many representing port-related activities. However, closely linked are the neighbouring residential communities of Shoreham-by-Sea, Shoreham Beach, Southwick, Fishergate, Portslade and West Hove that will be influenced by any future development plans.
- 2.5 Shoreham Port is the largest commercial port between Southampton and Dover and the closest Channel port to London. The modern day harbour plays an important economic role with the thriving operational port at its heart. The Port currently employs approximately 1700 people and a further 1000 are employed in the rest of the harbour area.
- 2.6 Despite the close proximity of significant employment activity there are pockets of deprivation within the area, particularly in parts of Eastbrook and St Mary's wards (Adur), and South Portslade ward (Brighton & Hove).
- 2.7 The vision contained in the JAAP for the next 15 years is to maximise the potential of Shoreham Harbour for the benefit of existing and new residents, businesses, port-users and visitors through a long term regeneration strategy. This will be achieved through working with the Shoreham Port Authority and local landowners to facilitate the redevelopment of key sites. The aim through the JAAP is to deliver a series of appropriately located high quality, sustainable, mixed-use developments including new housing, employment floorspace, leisure opportunities, improved public space and associated infrastructure including flood defences and transport improvements. The regeneration proposals will provide an opportunity for consolidating, reconfiguring and enhancing the operations of Shoreham Port.

### **3.0 Key Proposals**

- 3.1 The proposals for the harbour outlined in the draft JAAP are as follows:

#### **New housing:**

- Up to 1450 new homes across the harbour to 2031 (potentially a further 500 beyond the plan period)
  - 1050 along the Western Harbour Arm in Adur District
  - 400 in South Portslade and Aldrington Basin in Brighton & Hove

#### **Employment and economy:**

- Consolidation of Shoreham Port operations in to the areas east and south of the lock gates
- Delivery of approximately 21,500 sqm of new employment floorspace across the harbour:
  - 14,000 sqm in Adur District (Western Arm and Southwick Waterfront)
  - 7,500 sqm in Brighton & Hove (South Portslade and Aldrington Basin)

- Generation of approximately 1700-2000 new full time jobs across the harbour area with approximately 700 of these with Adur District, as well as the retention of 1700 Port jobs.
- Support for approximately 1,600-1700 temporary construction jobs across the harbour.

**Local environmental improvements:**

- Upgraded flood defence network integrated with a riverside walking/cycling route
- New and Improved social and community facilities
- New and improved marine leisure facilities
- Improvements to local transport network
- Upgrades to public spaces and historic features and better connections with surrounding areas

3.2 The JAAP area has been broken down in to seven distinct character areas. For consistency, these areas are broadly similar to the character areas within the Port Masterplan but with slightly wider boundaries to take in the surrounding areas outside the Port's jurisdiction. The seven character areas are as follows, with character areas 4, 5, 6 and 7 falling either wholly or partly within Adur District:

1. South Quayside
2. Aldrington Basin
3. North Quayside/South Portslade
4. Portslade/Southwick Beaches
5. Southwick Waterfront/Fishersgate
6. Harbour Mouth
7. Western Harbour Arm

3.3 There are four key development opportunity areas that have been identified as being critical to the realisation of the long term strategy for the harbour which will be the focus for delivery. These are as follows (with SS3 and SS4 falling within Adur District):

- Strategic Site 1 (SS1): Aldrington Basin
- Strategic Site 2 (SS2): South Portslade
- Strategic Site 3 (SS3): Southwick Waterfront
- Strategic Site 4 (SS4): Western Harbour Arm

3.4 For the Western Harbour Arm (and Aldrington Basin and South Portslade Industrial Estate) where new housing is proposed, development briefs have already been prepared and adopted for these areas. The JAAP will eventually replace these briefs once it is adopted.

- 3.5 Once the JAAP is adopted all planning applications within the harbour will be assessed against the policies within the JAAP, as well as the National Planning Policy Framework and City/Local Plans including Waste and Minerals Local Plans.

#### **4.0 Progress on Technical Studies**

- 4.1 A number of background studies across a range of topics have already been produced which have underpinned the preparation of the development briefs as well as this Draft JAAP. Further technical work currently underway that will provide important evidence to the JAAP and respond to issues raised during consultation on the development briefs are at various stages of completion. These include:
- WSCC is leading on the preparation of a Shoreham Harbour Transport Strategy that will contain a set of integrated measures that will guide the provision of transport infrastructure in the area for the next 15 years. An Executive Summary of the emerging strategy is provided as a background document.
  - ADC and the Partnership have been working closely with the Environment Agency and a Flood Risk Management Technical Guide is currently being prepared to provide user-friendly guidance on mitigating flood risk associated with new developments and changes of land use in the harbour. This guide will include a design code and landscaping strategy to ensure high quality design standards for a new activated waterfront.
  - A Wharves and Railheads Study (West Sussex, 2013) and associated Statement of Common Ground are currently being prepared which will establish the approach to safeguarding wharf capacity within the port in accordance with the National Planning Policy Framework and Minerals Local Plans.

#### **5.0 COMMUNITY CONSULTATION AND NEXT STEPS**

- 5.1 Consultation on a number of different proposals and documents over a number of years has informed the content of this draft JAAP. When approved by Cabinet, the draft Plan will be subject to a ten week period of public consultation planned to run from **17<sup>th</sup> February to 25<sup>th</sup> April 2014**. The responses received during this time will be an important source of information for identifying areas for further work.
- 5.2 Depending on the issues raised, a further round of consultation may be required. Following this, a pre -submission version of the Plan will be published for consultation but at this stage representations can only be made on the “soundness” of the Plan.
- 5.3 The final JAAP will be submitted to Secretary of State for independent examination conducted by a Planning Inspector. This is anticipated to take place in mid 2015, followed by formal adoption later that year.

#### **6.0 Legal**



- 6.1 The adopted JAAP will have statutory status as a Development Plan Document within the meaning of the Planning and Compulsory Purchase Act 2004 and its secondary legislation and as such will be given full weight in the determination of relevant planning applications.

## **7.0 Financial implications**

- 7.1 The main input from the Council is officer time (but funded externally). Costs of producing the JAAP including the public examination will be met out of money awarded to the three authorities under Central Government's Growth Point programme for which Adur District Council is the accountable body.

## **8.0 Recommendation**

- 8.1 That:

Acknowledging comments provided by the [Adur](#) Planning Committee, the Cabinet approves the document for a ten week period of public consultation.

## **Local Government Act 1972**

### **Background Papers:**

- Draft Shoreham Harbour Transport Strategy – Executive Summary

### **Other key papers:**

- Statement of Community Consultation on Draft JAAP
- Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) on Draft JAAP
- Shoreham Harbour Transport Study (2013)
- Development Brief for the Western Harbour Arm (2013)
- Development Brief for South Portslade Industrial Estate and Aldrington Basin (2013)
- Wharves and Railheads Study (2013)
- Capacity and Viability Study (2010)

### **Contact Officer:**

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[Jane.Fuller@adur.worthing.gov.uk](mailto:Jane.Fuller@adur.worthing.gov.uk)

## **Schedule of Other Matters"]**

### **1.0 Council Priority**

- 1.1 The Emerging JAAP will help to:
- Support major regeneration projects to tackle deprivation
  - Support businesses in creating jobs and regenerating neighbourhoods
  - Seek to meet the housing needs of our communities
  - Reduce red tape in planning, regulation and regeneration and increase the opportunities for communities to be more involved in decisions
  - Work with partners to reduce deprivation and inequalities

### **2.0 Specific Action Plans**

- 2.1 [(A) Through specific policies, strategies and guidance in the emerging JAAP - to improve the visual appearance of the district; to ensure the provision of sufficient housing and employment; to promote regeneration of Shoreham Harbour and to promote the viability and sustainability of town centres.

(B) To encourage kick-start of development projects and delivery of new housing and employment areas.

### **3.0 Sustainability Issues**

- 3.1 The Government requires that the all Development Plan Documents be subject to a formal sustainability appraisal. The emerging JAAP DPD has been subject to sustainability appraisal.

### **4.0 Equality Issues**

- 4.1 The emerging JAAP process aims to ensure that all groups in the district have equal access to the range of opportunities generated by future plans for the harbour. For example provision of affordable housing, improved public transport, access to public open space, harnessing employment and training spin-off benefits for local deprived communities.

### **5.0 Community Safety Issues (Section 17)**

- 5.1 New development proposals will be expected to have incorporated best practice ways to design out crime within the layout of their schemes.

### **6.0 Human Rights Issues**

- 6.1 At this stage, no human rights issues have been identified.

### **7.0 Reputation**

- 7.1 The emerging JAAP documents must be prepared in line with Government legislation and are subject to extensive community involvement. The delivery of the policies and strategy seek to improve the harbour area and therefore have a positive impact on the reputation of the Council.

## **8.0 Consultations**

8.1 (A) In preparing the Draft JAAP consultations have taken place with:

- Leaders and Councillors of Adur/Worthing Councils, Brighton & Hove City Council, West Sussex County Council
- Internal officers of Adur/Worthing Councils, Brighton & Hove City Council, West Sussex County Council
- External stakeholder consultees including Shoreham Port Authority, relevant government agencies, local interest groups, local residents groups
- Site owners, existing businesses, developers and community organisations within the harbour area
- general public and residents in the vicinity of the harbour area

(B) All the comments received have been taken on board within the preparation of the Draft JAAP.

## **9.0 Risk Assessment**

9.1 The emerging JAAP is part of the Council's LDF process. There is a statutory duty on the Council to produce a local development plan. Failure to meet the LDF milestones as set out in the Council's Local Development Scheme could impact on a number of Council's priorities including economic and social regeneration as well as the delivery of affordable housing.

## **10.0 Health & Safety Issues**

10.1 Matters considered and no issues identified.

## **11.0 Procurement Strategy**

11.1 This report complies with the Procurement Strategy.

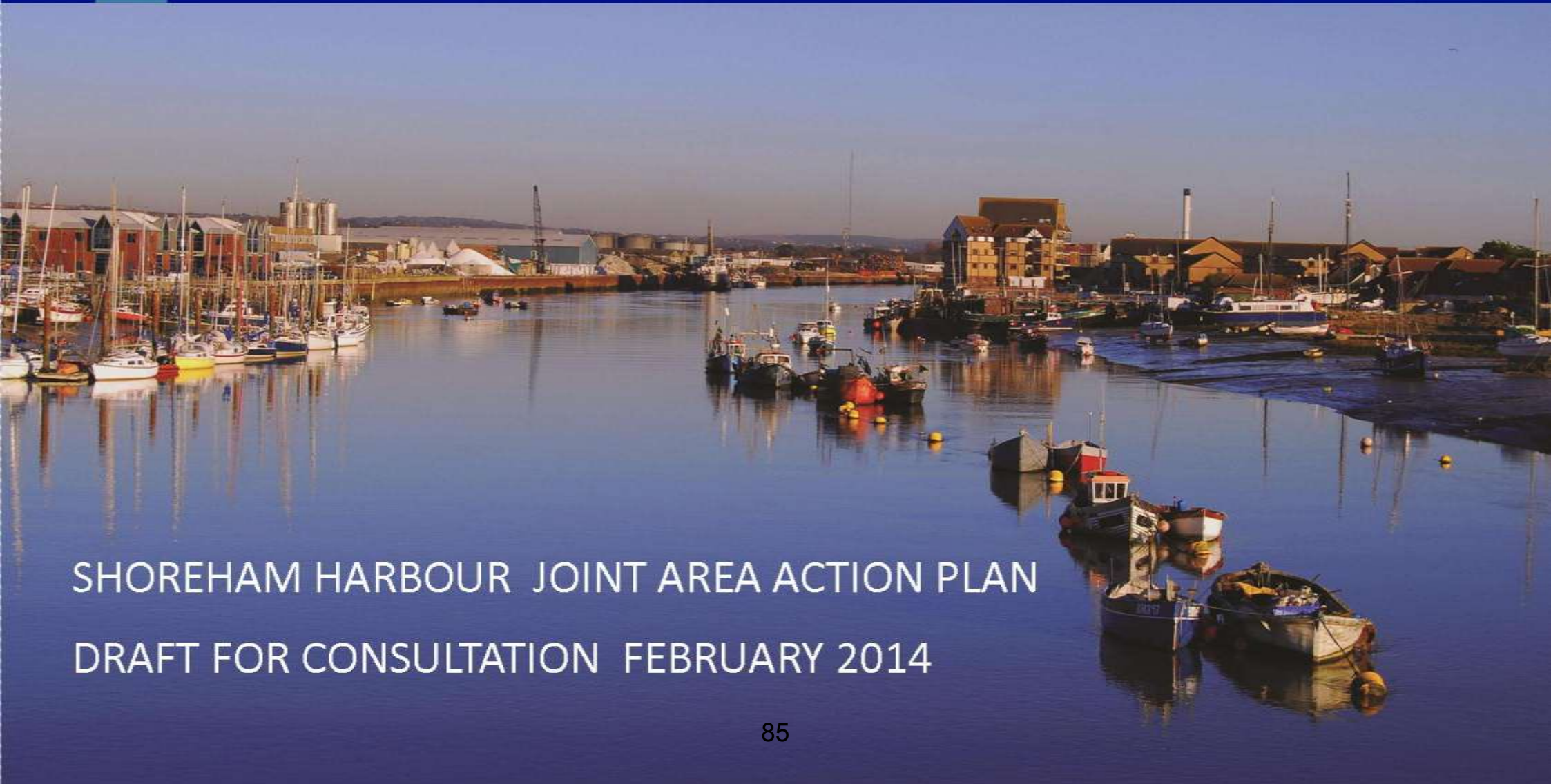
## **12.0 Partnership Working**

12.1 The emerging JAAP for Shoreham Harbour is being prepared in partnership with Brighton & Hove City Council, West Sussex County Council and Shoreham Port Authority.





# SHOREHAM HARBOUR REGENERATION



SHOREHAM HARBOUR JOINT AREA ACTION PLAN  
DRAFT FOR CONSULTATION FEBRUARY 2014



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# **1 INTRODUCTION AND CONTEXT**



# 1 INTRODUCTION AND CONTEXT

## 1.1 WHAT IS THE PLAN FOR THE HARBOUR?

1.1.1 This document is the Draft Shoreham Harbour Joint Area Action Plan (JAAP). It is the first full draft of the JAAP which sets out a 15-20 year plan to guide the regeneration of Shoreham Harbour.

1.1.2 Shoreham Harbour is located between the western end of Hove seafront and the Adur Estuary at Shoreham-by-Sea, benefitting from a natural coastal setting and accessible waterfront environment. The harbour stretches for five kilometres of waterfront, bounded by the A259, the West Coastway railway line and the coastal communities of Shoreham-by-Sea, Kingston-by-Sea, Southwick, Fishersgate, South Portslade and Hove.

1.1.3 As illustrated in Figure 1.1, the regeneration area occupies a strategic location in the south-east region with central London only a 50 minute train journey away and Gatwick Airport within 40 minutes.

1.1.4 The harbour straddles the local authority boundaries of Adur District Council (within West Sussex County) to the west and the City of Brighton & Hove to the east.

The benefits of a revitalised harbour area will be felt throughout the local area and beyond.

1.1.5 The JAAP area has been broken down in to seven distinct character areas. For consistency, these areas are broadly similar to the character areas within the Shoreham Port Masterplan<sup>1</sup> but with slightly wider boundaries to take in the surrounding areas outside the Port's jurisdiction. The seven character areas are as follows:

- 1 South Quayside
- 2 Aldrington Basin
- 3 North Quayside/South Portslade
- 4 Portslade/Southwick Beaches
- 5 Southwick Waterfront/Fishersgate
- 6 Harbour Mouth
- 7 Western Harbour Arm

### Proposed New Development

1.1.6 There are four key development opportunity areas that have been identified as being critical to the realisation

---

<sup>1</sup> *Shoreham Port Masterplan* (Shoreham Port Authority: 2010)

of the long term strategy for the harbour which are proposed to be the focus for delivery. These are:

- Strategic Site 1 (SS1): Aldrington Basin
- Strategic Site 2 (SS2): South Portslade
- Strategic Site 3 (SS3): Southwick Waterfront
- Strategic Site 4 (SS4): Western Harbour Arm

1.1.7 Strategic Sites 1, 2 and 4 are all areas where new housing is proposed. For these areas development briefs have already been prepared and adopted by the councils in 2013. The JAAP will eventually replace these briefs once it is adopted. A Development Brief is also due to be prepared for Southwick Waterfront (SS3) by Shoreham Port Authority.

1.1.8 The proposals for the harbour outlined in this Draft Plan include:

#### **Summary of JAAP proposals:**

##### **New housing:**

- Up to 1450 new homes to 2031 (potentially a further 500 beyond the plan period)
  - 1050 along the Western Harbour Arm in Adur District
  - 400 in South Portslade and Aldrington Basin in Brighton & Hove

#### **Employment and economy:**

- Consolidation of Shoreham Port operations in the eastern arm and canal.
- Approximately 21,500 sqm of employment floorspace:
  - 14,000 sqm in Adur District
  - 7500 sqm in Brighton & Hove
- Generation of 1,500-1,700 new full time jobs directly (between 620-870 net additional) and creation of 500 jobs at the Port.
- Support for 1,630-1,720 full time temporary construction jobs

#### **Local environmental improvements:**

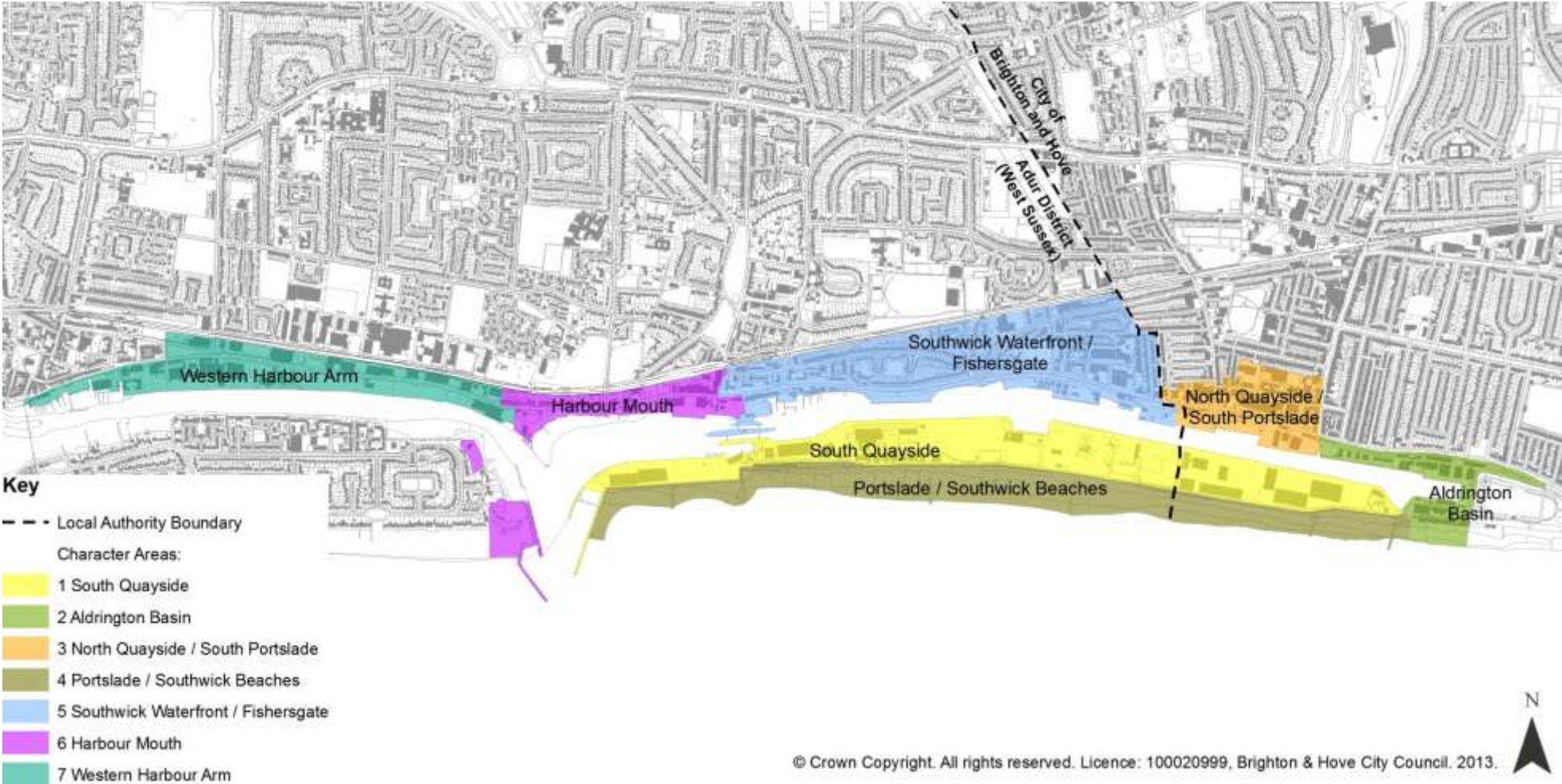
- Upgraded flood defence network integrated with a riverside walking/cycling route
- New and improved social and community facilities
- New and improved marine leisure facilities
- Improvements to local transport network
- Upgrades to public spaces and historic features and better connections with surrounding areas



Figure 1.1 Sub-regional location map



Figure 1.2 Joint Area Action Plan - Character Areas





## 1.2 WHAT IS THE PURPOSE OF THIS PLAN?

1.2.1 This plan is being published for a ten week period of public consultation. All those who have an interest in the future of Shoreham Harbour are being asked to consider whether the plan is fit for purpose and to highlight anything else which needs to be considered. Ideas and feedback from the community are critical to getting the plan right for the future and input is welcomed from all.

1.2.2 The Summary of Community Involvement that accompanies this document provides an overview of work carried out with local residents and stakeholders to develop the plan to this point. The approach to community engagement is guided by the Statements of Community Involvement (SCIs) adopted by Adur District Council (ADC) and Brighton & Hove City Council (BHCC).

1.2.3 This plan is supported by a number of background documents across a range of topic areas. Key documents include:

- Consultation Statement
- Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA)
- Shoreham Harbour Transport Study and Transport Strategy

- Development Brief for the Western Harbour Arm
- Development Brief for South Portslade Industrial Estate and Aldrington Basin

1.2.4 The full set of background documents can be viewed and downloaded at: [www.adur-worthing.gov.uk/shoreham-harbour-regeneration/supporting-evidence/](http://www.adur-worthing.gov.uk/shoreham-harbour-regeneration/supporting-evidence/).

1.2.5 These documents have been prepared by the Shoreham Harbour Regeneration Partnership (referred to as the 'Partnership') comprising ADC, BHCC, West Sussex County Council (WSCC) and the Port Authority. The Partnership also works closely with a number of key stakeholders including the Homes and Communities Agency (HCA), the Highways Agency (HA), Natural England (NE) and the Environment Agency (EA).

1.2.6 Further details about the Partnership and the history of developing the plans for the harbour are contained within the Sustainability Appraisal report.

### 1.3 HOW CAN YOU MAKE COMMENTS ON THIS PLAN?

- 1.3.1 The period for making comments commences on **17th February 2014 and will end at 5pm on 25th April 2014**. Comments can be made on any aspect of the report.
- 1.3.2 It is most helpful and cost-effective if comments can be submitted **using** the online consultation form on the website. Alternatively, you can email your comments to: [consultation@shorehamharbour.com](mailto:consultation@shorehamharbour.com) or write to:
- FREEPOST BR1575  
Shoreham Harbour Regeneration (Consultation)  
Adur & Worthing Councils  
Town Hall  
Chapel Road  
Worthing  
West Sussex  
BN11 1HA
- 1.3.3 It is important to note that all of the comments will be reviewed and considered by officers and will be made public on the Shoreham Harbour Regeneration pages of both the ADC and BHCC websites following the consultation period. Individual names and contact details will be anonymised.

### 1.4 WHAT HAPPENS AFTER THE CONSULTATION?

- 1.4.1 Depending on the issues raised, a further round of consultation may be required. Following this, the 'Pre-Submission' version of the JAAP will be published for final comment. At this stage representations can only be made on the 'soundness' of the plan. The JAAP will then be submitted to the Secretary of State. All representations received during the final 'soundness' consultation period will be considered by the Inspector at an independent Public Examination. The Inspector will 'test' the soundness of the plan and produce a report setting out any recommendations for final changes before the councils formally adopt the plan.

### 1.5 WHY IS THE JOINT AREA ACTION PLAN (JAAP) BEING PREPARED?

- 1.5.1 The JAAP is being produced to identify a set of realistic, deliverable, locally supported and sustainable proposals for Shoreham Harbour and to manage the impacts of development over time. The plan is 'joint' because it will be jointly adopted by ADC and BHCC, and endorsed by WSCC.
- 1.5.2 There have been various plans put forward for the harbour area in the past and some elements have since been delivered. The drivers of change have evolved over time, and will continue to change. The

aim of this plan is to provide a flexible framework for future development that responds to local economic and social needs as well as environmental considerations.

1.5.3 As illustrated in Figure 1.3, the JAAP is a Development Plan Document (DPD) which will sit underneath the Local/City Plans to provide further detail on the Shoreham Harbour regeneration area. The JAAP forms part of the Local Development Frameworks (LDFs) for both ADC and BHCC.

1.5.4 A four stage process is underway in preparing the JAAP and the timetable is set out in the Local Development Scheme (LDS) for each of the partner local authorities. The process is currently at Stage 3:

- **Stage 1:** Information gathering, baseline analysis and identifying issues (2008 – 2012).
- **Stage 2:** Consideration of options, developing spatial framework, preparing Development Briefs for areas of change (2010-2013).
- **Stage 3: (WE ARE HERE)** Consulting on Draft JAAP, further exploring technical issues, addressing delivery issues, further consultation if required (2014-2015).

- **Stage 4:** Submitting Final JAAP to Secretary of State for independent examination conducted by a Planning Inspector, followed by formal adoption (2015).

## 1.6 WHAT AREA IS COVERED BY THE JAAP?

1.6.1 The policies and proposals in this document will apply to the Shoreham Harbour Regeneration Area. Figure 1.2 indicates the boundary of the regeneration area and the local authority boundaries.

## 1.7 WHAT IS THE SUSTAINABILITY APPRAISAL?

1.7.1 The Partnership has undertaken a Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) of this plan. The purpose of the Sustainability Appraisal is to ensure that the principle of sustainable development is incorporated throughout the emerging JAAP. Its role is to critically review and challenge the development proposals and seek the highest possible standards in relation to sustainability.

## 1.8 HOW DOES THE JAAP RELATE TO OTHER PLANNING DOCUMENTS?

1.8.1 All planning applications and investment decisions within the harbour will be assessed against the policies within the JAAP, the Port Masterplan, relevant site development briefs as well as the Local/City Plans and UK government /European Union (EU) policy that sit above it.

1.8.2 All the relevant documents can be viewed online at [www.adur-worthing.gov.uk](http://www.adur-worthing.gov.uk), [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk) or [www.westsussex.gov.uk](http://www.westsussex.gov.uk), or obtained from the Planning Policy teams on 01273 263000 (ADC), 01273 290000 (BHCC) or 01243 777100 (WSCC).

### National / EU Policy

1.8.3 The plan has been prepared in accordance with EU and UK Government policy including the National Planning Policy Framework (NPPF) and NPPF Guidance.

1.8.4 The Planning Act 2008 sets out the thresholds for Nationally Significant Infrastructure Projects (NSIPs) in the ports sector. The Secretary of State may also determine an application with capacity below the relevant threshold, if it is considered that the project is of national significance.

### ▪ National Planning Policy Statement for Ports (2012)

1.8.5 Produced by the Department of Transport as part of the Planning Act 2008, this statement provides the framework for decisions on proposals for new port development. It is also a relevant consideration for the Marine Management Organisation and for local planning authorities.

### Regional Policy

### ▪ West Sussex Local Strategic Statement (2013)

1.8.6 The Local Strategic Statement (LSS), produced on behalf of the Coastal West Sussex partnership, sets out the long term strategic objectives for West Sussex over the period 2013 – 2031. Shorter term spatial priorities are identified for the period 2013 to 2020. Creating the conditions to deliver strategic employment and housing sites at Shoreham Harbour is a key priority of the LSS.

### ▪ South Marine Plan (in progress)

1.8.7 The Marine Management Organisation (MMO) is progressing work on the South Marine Plan to inform and guide marine users and regulators in the area. The plan will seek to manage the sustainable development of marine industries such as wind farms, shipping,

marine aggregates and fishing alongside the need to conserve and protect marine species, habitats and leisure uses.

### Local Policy

- 1.8.8 Both the emerging Adur Local Plan and the Brighton & Hove City Plan identify the regeneration of the harbour in their strategic objectives and also contain a specific planning policy that identifies the harbour as a 'Broad Location' for future strategic development.

#### ▪ Revised Draft Adur Local Plan (2013)

- 1.8.9 Policy 2 (Spatial Strategy) of the Revised Draft Adur Local Plan (2013) states:

"Shoreham Harbour will be the focus of a significant level of development to facilitate regeneration of the Harbour and neighbouring communities, which will be delivered through an Area Action Plan to be prepared jointly between Adur District Council, Brighton & Hove City Council and West Sussex County Council."

- 1.8.10 Draft Policy 8 (Shoreham Harbour) sets out the policy and priorities for each character area and states that:

"The Council will facilitate the delivery of 1050 new dwellings within the Shoreham Harbour Regeneration

Area within Adur District during the plan period to 2031, in addition to up to 550 beyond the plan period."

- 1.8.11 Draft Policy 4 (Planning for Economic Growth) allocates land for employment generating uses in Adur up to 2031, including:

- Shoreham Harbour Regeneration Area (approximately 13,000 sqm within Adur)

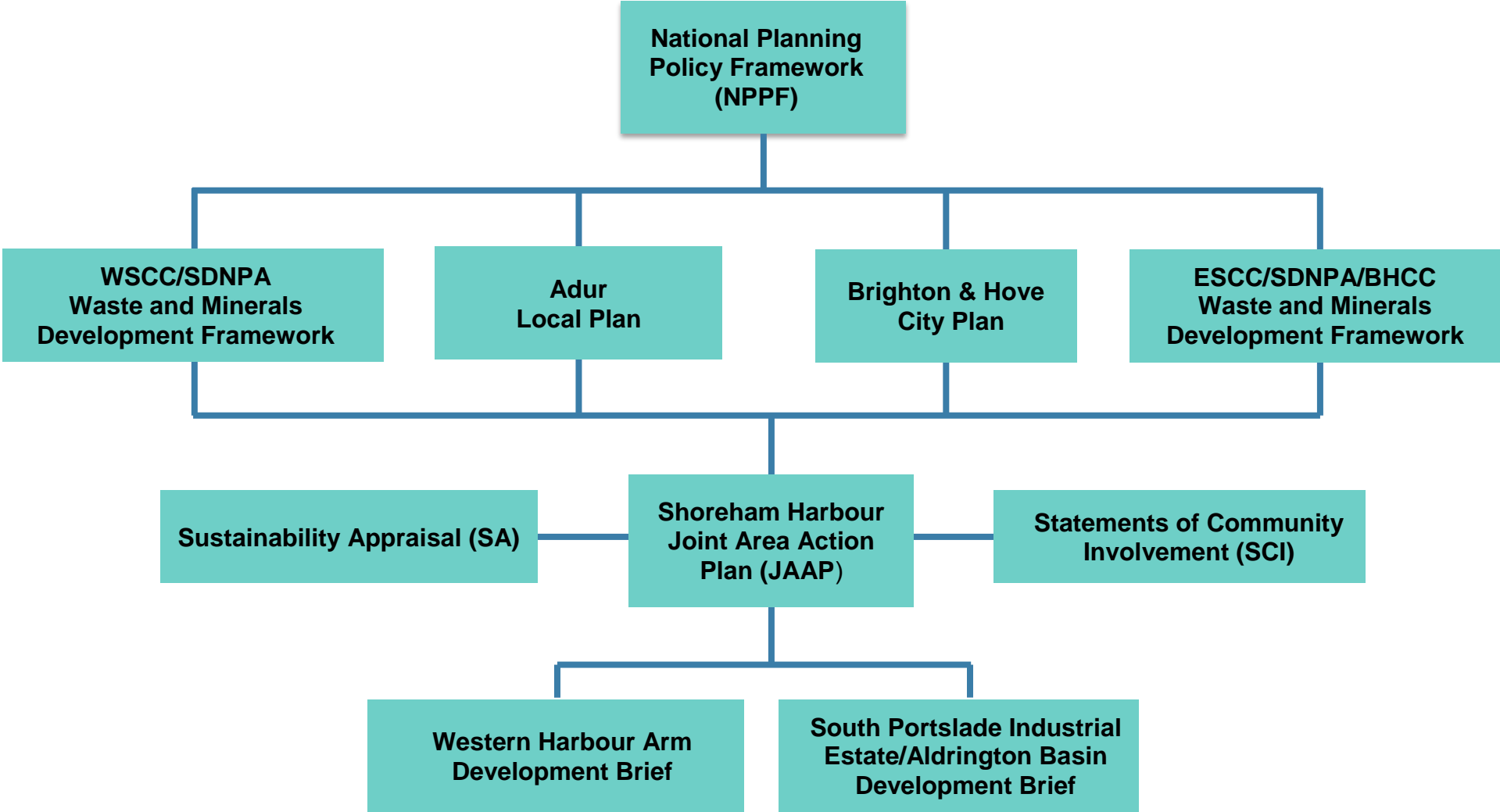
#### ▪ Brighton & Hove Submission City Plan Part One (2013)

- 1.8.12 The Brighton & Hove Submission City Plan Part One includes the regeneration of the harbour as a key commitment under Strategic Objective 6 (SO6):

"Through joint working with Adur District Council, West Sussex County Council and the Shoreham Port Authority, maximise the potential of Shoreham Harbour for the benefit of existing and future residents, businesses, port-users and visitors through a long term regeneration strategy."

- 1.8.13 Policy DA8 (Shoreham Harbour) sets out the policy and priorities for each of the harbour character areas and states that the JAAP process will further explore and test the delivery of:

Figure 1.3 JAAP within Local Development Frameworks



- “400 new residential units within Brighton & Hove (which are included as part of the City’s long term overall housing target)
- 7500 sqm net additional employment floorspace”

#### ▪ **Waste and Minerals Local Plans**

- 1.8.14 Depending on which part of the harbour, proposals involving or impacting on waste and minerals operations should refer to:
- WSCC Minerals Local Plan (adopted 2003)
  - WSCC, South Downs National Park Authority (SDNPA) Proposed Submission Draft Waste Local Plan
  - East Sussex County Council (ESCC), South Downs National Park Authority (SDNPA) and Brighton & Hove Waste and Minerals Plan (2013).

#### **Shoreham Harbour Policy**

##### ▪ **Shoreham Harbour Development Briefs (2013)**

- 1.8.15 Development Briefs have been adopted for key areas of change – Western Harbour Arm, South Portslade Industrial Estate and Aldrington Basin. These briefs have been informed by a large body of technical background work, public consultation and engagement and were subject to Sustainability Appraisal (SA). Their content has been subsumed in to this document and will form part of the emerging JAAP. As such the briefs

will be regarded as a significant material consideration and afforded weight accordingly when determining planning applications within the brief areas, in the interim period before JAAP is adopted.

##### ▪ **Shoreham Port Masterplan (2010)**

- 1.8.16 Shoreham Port Authority has produced a Port Masterplan. Although not a statutory planning policy document, the plan is reflective of the Port’s future aspirations and should be taken into account when considering new developments in the vicinity of Shoreham Port. The JAAP is intended to be consistent with the Port Masterplan, which can be viewed at [www.shoreham-port.co.uk/Masterplan](http://www.shoreham-port.co.uk/Masterplan).

##### ▪ **Shoreham Harbour Transport Strategy (Draft, 2014)**

- 1.8.17 Transport modelling has been undertaken to assess the potential impacts of new development at the harbour. The results of this study have informed the preparation of a Transport Strategy which specifies a package of sustainable mitigation measures that will need to be implemented to support new development.

- **Shoreham Harbour Flood Risk Management Technical Guidance (in progress)**

- 1.8.18 Working closely with the Environment Agency, the Partnership is in the process of preparing a user-friendly, technical guide setting out illustrative concepts for an upgraded flood defence network along the Western Harbour Arm and a summary of the costs and requirements of developers in relation to mitigating flood risk. This document will also be used to provide information for funding applications

- **Shoreham Harbour Streetscape Guidance (2012)**

- 1.8.19 A Streetscape Guide has been prepared that provides guidance as to what types of street furniture and landscaping are suitable for different parts of the harbour area along with technical specifications for specific items.

- **Shoreham Harbour Interim Planning Guidance (2011)**

- 1.8.20 Shoreham Harbour Interim Planning Guidance (IPG) (2011) sets out the vision and objectives for the regeneration area and signposts to relevant policy documents. It was intended for use in the interim period before the JAAP is adopted. It will be factually updated in 2014.



Figure 1.4 Existing Key Land Uses

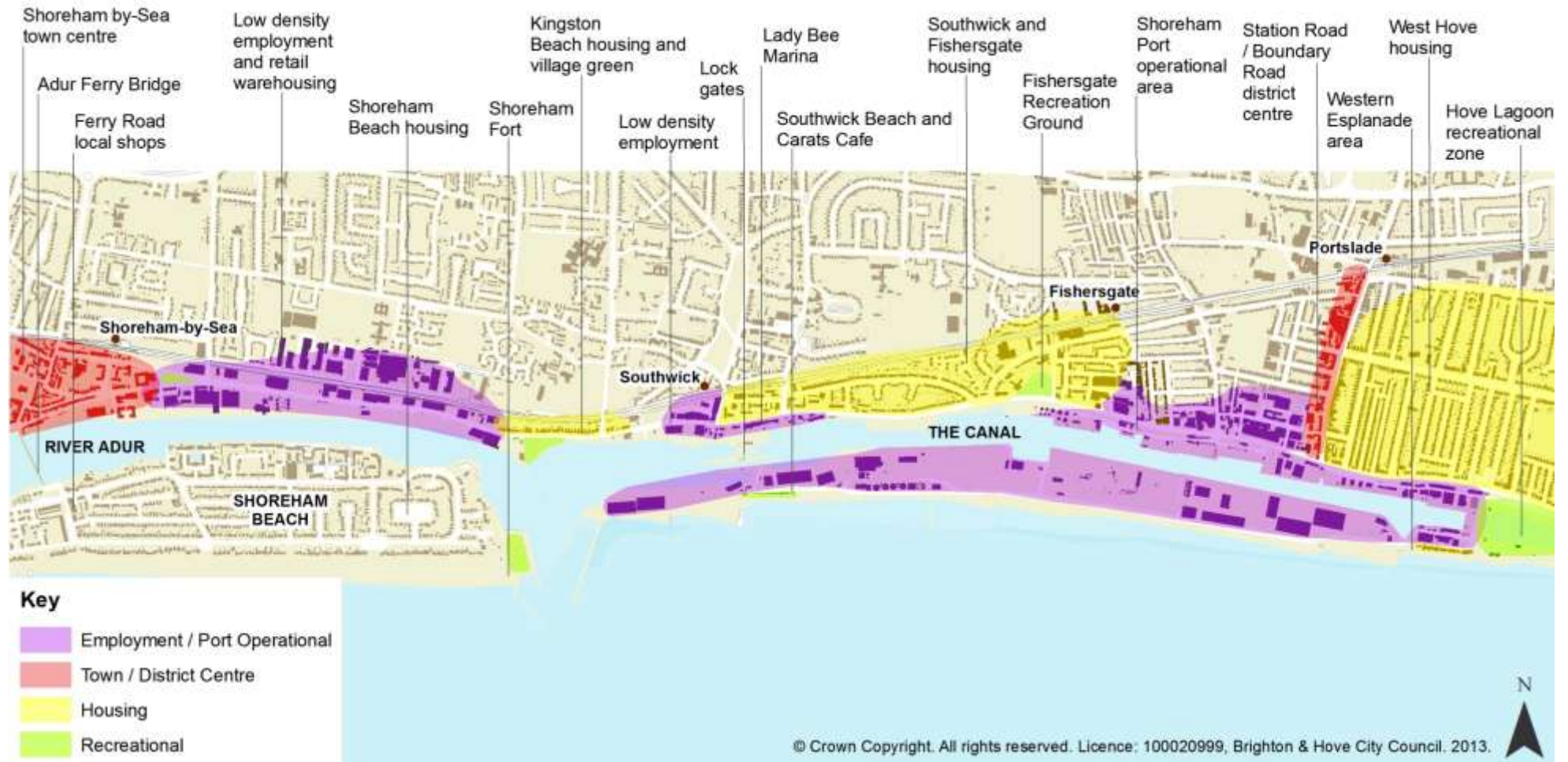
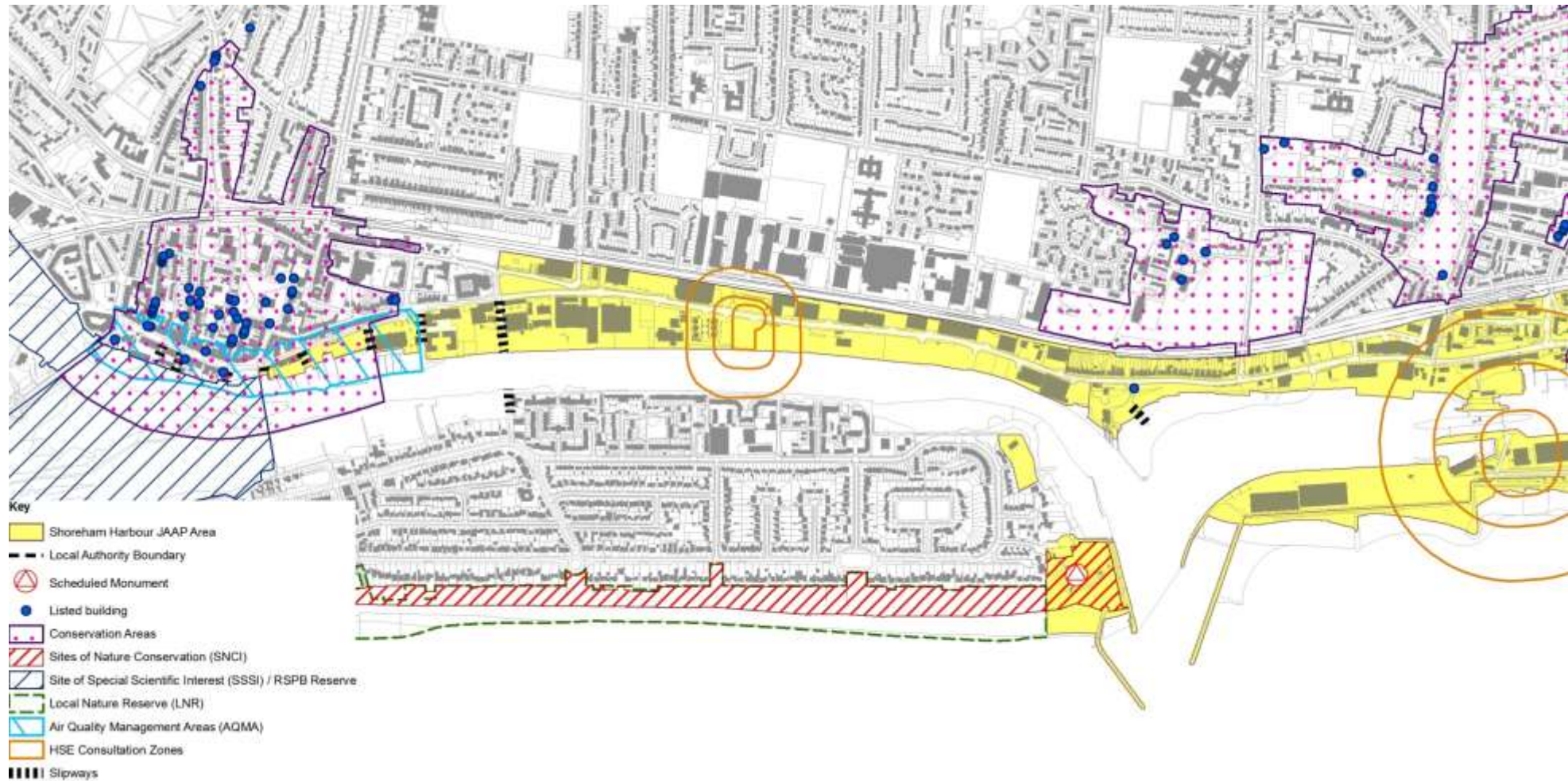
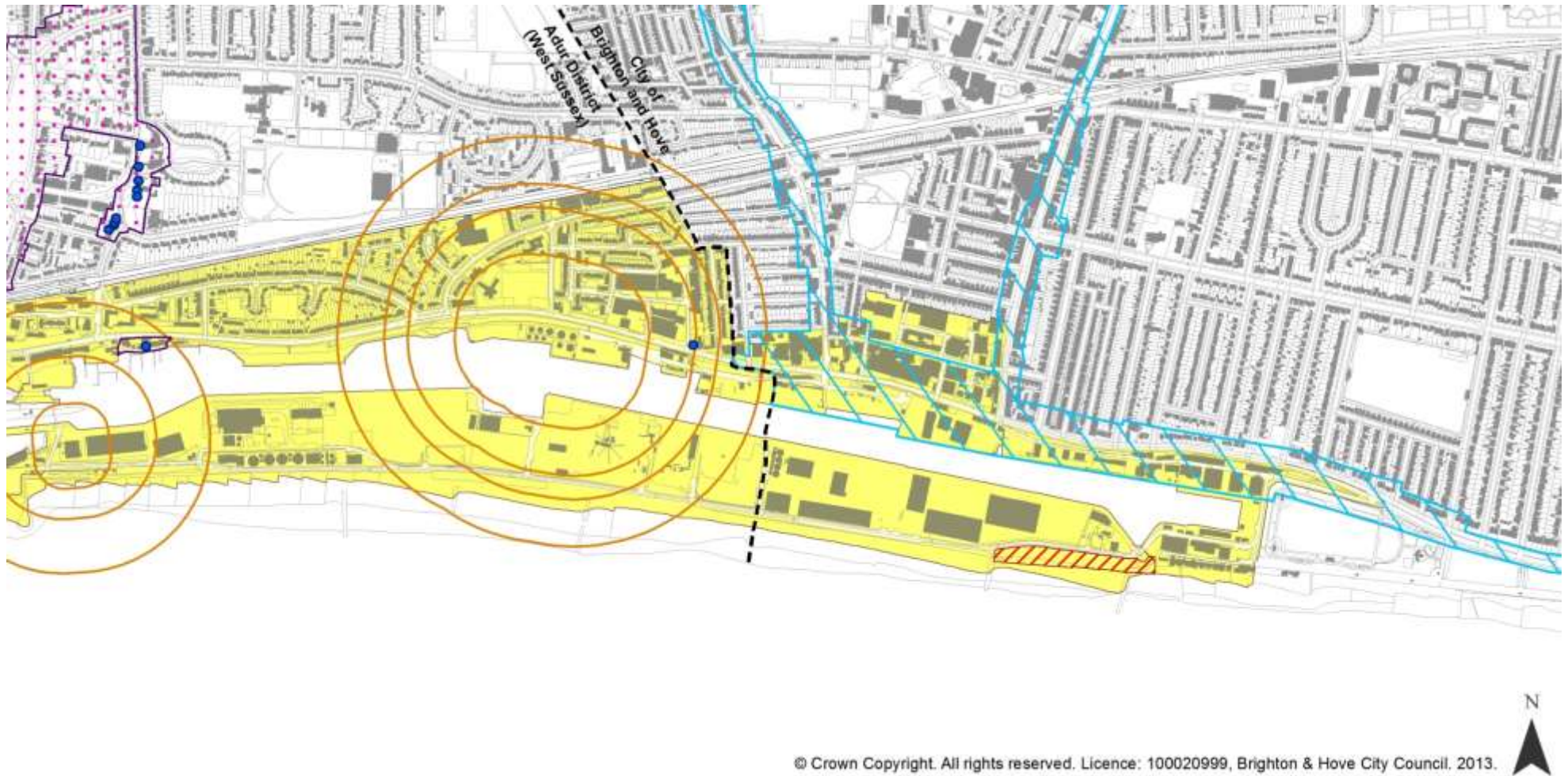


Figure 1.5 Shoreham Harbour Environmental Constraints







## **1.9 ABOUT THE AREA – DRIVERS FOR CHANGE**

- 1.9.1 The following section provides a high level overview of the physical, environmental and social features of the harbour and its surroundings. Further baseline data and analysis is available in the Sustainability Appraisal report which accompanies this document. Figure 1.4 and 1.5 shows the key existing land uses and Figure 1.5 shows the statutory designations and environmental constraints that must be taken in to account when planning for future development.
- 1.9.2 Between the backdrop of the South Downs National Park and the open horizon of the English Channel, the harbour boasts a wealth of maritime history dating back to Roman times. It has a rich and diverse landscape including the River Adur estuary, the historic character of Shoreham's key landmarks including Shoreham Fort and Kingston Beach lighthouse; a number of established residential communities and Shoreham Port as a highly engineered working environment.
- 1.9.3 The harbour stretches from the new Adur Ferry Bridge in the west through to Hove Lagoon in the east. The harbour entrance in the middle is the mouth of the River Adur which, through time, has been deflected two miles to the east by longshore drift. The area to the west of the footbridge and east of Norfolk Bridge is designated a Site of Special Scientific Interest (SSSI).

At mid-tide the mud flats are revealed which attract abundant waders, gulls and other rare birdlife and are protected as an RSPB reserve.

- 1.9.4 South of the harbour on the western side is Shoreham Beach, a naturally formed spit running for three kilometres parallel to the coast. Here, within the harbour is a well-established community of local residents living within a parade of house boats. The boats have quirky individual styles adding colour to the landscape and are a source of visitor interest.
- 1.9.5 Shoreham Harbour is distinct from its surroundings for its concentration of industrial and other employment uses, many representing port-related activities. However, closely linked are the neighbouring residential communities of Shoreham by Sea, Shoreham Beach, Southwick, Fishersgate, Portslade and West Hove that will be impacted by any future development plans. It is important to ensure that new development integrates and connects well within these surroundings.
- 1.9.6 The Port of Shoreham is the largest commercial port between Southampton and Dover and the closest Channel port to London. The port dates from Roman times, originally known as 'Portus Adurni'. For hundreds of years it was a major centre for ship building and by the 17th century Shoreham was still the chief Sussex port building for the Royal Navy.

Supplies were made in the yards along the river such as masts, spars, sails, rope and blocks and in Shoreham town lived shipwrights, carpenters and sail-makers, merchants and seamen. The modern day harbour area continues to play an important economic role with the thriving operational port at its heart. Shoreham Port currently employs approximately 1700 people. The port has now celebrated its 250th Anniversary and continues to grow.

### **Drivers for Change**

- 1.9.7 Despite the close proximity to an employment hub there are pockets of significant deprivation within the regeneration area, particularly in parts of Eastbrook and St Mary's wards (Adur), and South Portslade ward (Brighton & Hove). Parts of these areas fall within the top 20% most deprived areas in the country for overall deprivation (DCLG, 2010). This is indicated by the relatively high proportion of working age adults claiming Job Seeker's Allowance compared with surrounding areas (DWP, 2012). In Eastbrook ward, 34% of the population have no qualifications compared to 29% nationwide and there are a lower proportion of residents with higher level qualifications than the national average (Eastbrook ward 18.7%; South Portslade ward: 24.7%; compared to 27.4% nationwide). (ONS: 2011)

- 1.9.8 The local economy and labour market (Adur District in particular) currently face a number of challenges including an overall shortage of jobs in Adur District in comparison with the national average, lower than average skills base, declining numbers of self-employed since the economic downturn, lower than average wages, high levels of out-commuting and highly constrained employment floorspace supply to accommodate new economic activity.
- 1.9.9 It is critical for the JAAP proposals to balance the provision of new homes with the enhancement of key employment areas and (where business relocations are necessary) for businesses to be re-accommodated within the local area to sites that better meet their needs.

## **2 HARBOUR VISION AND AREA PROPOSALS**









## 2 HARBOUR VISION AND CHARACTER AREA PROPOSALS

### SHOREHAM HARBOUR VISION STATEMENT:

By 2031 Shoreham Harbour will be transformed in to a vibrant, thriving, waterfront destination comprising a series of sustainable, mixed-use developments alongside a consolidated and enhanced Shoreham Port which will continue to play a vital role in the local economy.

The redevelopment of key areas of the harbour will provide benefits for the local community and economy through increased investment, improved leisure opportunities, enhanced public realm and the delivery of critical infrastructure that will help respond positively to climate change.

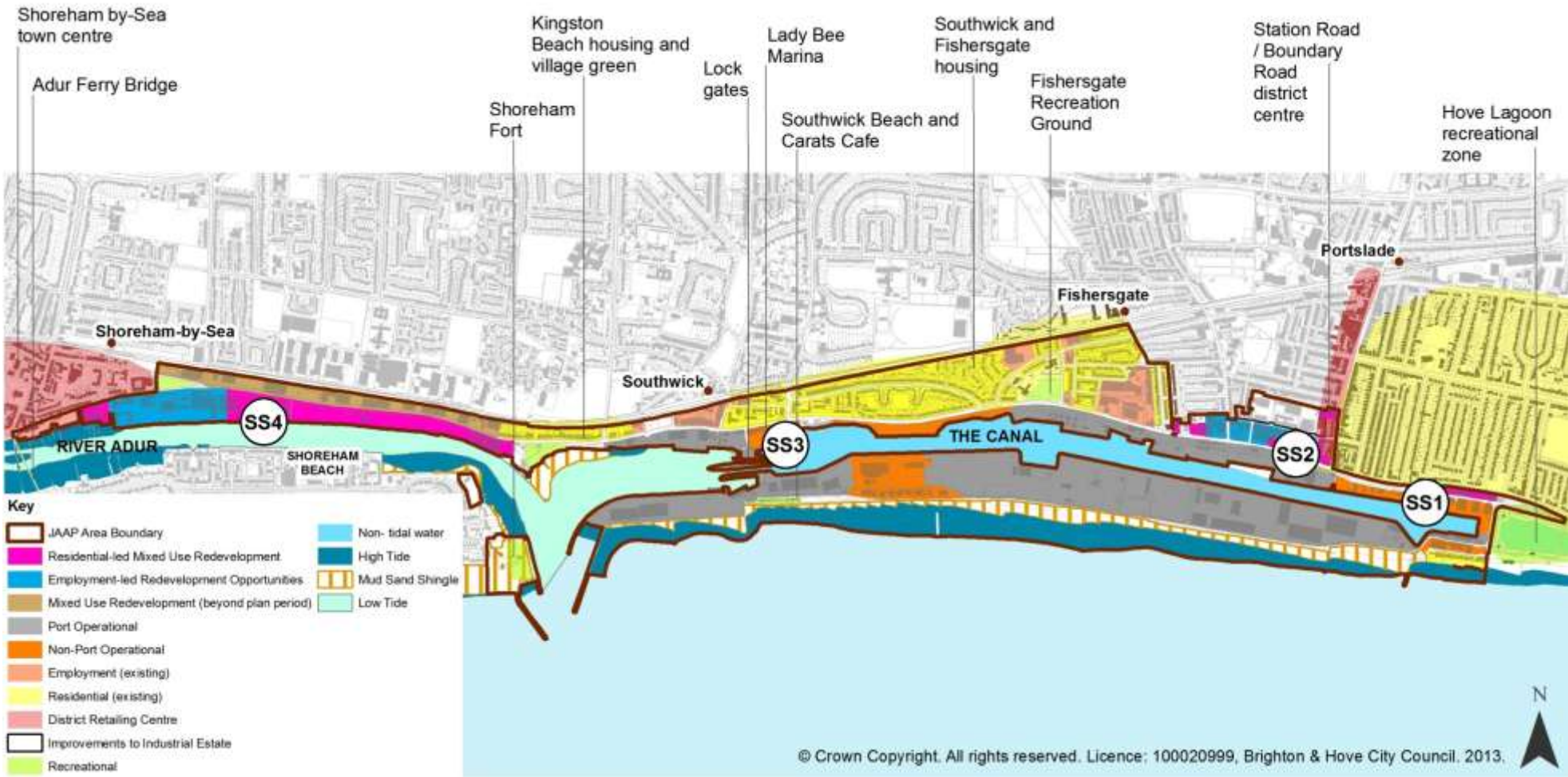
### 2.1 LONG TERM VISION

- 2.1.1 This section sets out the proposed long-term vision for Shoreham Harbour and the key themes and associated strategic objectives that were developed through the baseline analysis and consultation. The spatial strategy for Shoreham Harbour aligns with the vision and objectives set out in both the Revised Draft Adur Local Plan (Vision Statements 3 and 4 and

Objective 3) and the Brighton & Hove City Plan (Strategic Objective 6).

- 2.1.2 The vision over the next 15 years is to maximise the potential of Shoreham Harbour for the benefit of existing and new residents, businesses, port-users and visitors through a long term regeneration strategy. This will be achieved through working with the Shoreham Port Authority and local landowners to facilitate the redevelopment of key sites.
- 2.1.3 The aim is to deliver a series of appropriately located, high quality, sustainable, mixed-use developments including new housing, employment floorspace, leisure opportunities, improved public space and associated infrastructure including flood defences and transport improvements.
- 2.1.4 The regeneration proposals will provide an opportunity for consolidating, reconfiguring and enhancing the operations of Shoreham Port which continues to play a vital role in the local economy.

Figure 2.1: Spatial Strategy



## 2.2 SPATIAL STRATEGY AND STRATEGIC OBJECTIVES

- 2.2.1 Figure 2.1 provides a summary of the proposed future land use areas within the JAAP area. These are outlined in detail within each character area section below. The strategy is underpinned by the strategic objectives and is reflected in the harbour-wide policies.

### Policy JAAP 1: Spatial Strategy

Development proposals and other projects within the Shoreham Harbour Regeneration area must consider and positively contribute towards the vision, objectives and aspirations of the Spatial Strategy.

- 2.2.2 The nine over-arching strategic objectives are as follows:

#### SO1. Sustainable Development: To promote sustainable development

To ensure all new developments use energy and water as efficiently as possible, use energy from renewable technologies, use sustainable materials, reduce waste, incorporate innovative approaches to open space and biodiversity, encourage uptake of low carbon modes of transport and support sustainable lifestyles in existing

and new areas. The Port will be supported in becoming an important hub for renewable energy generation.

#### SO2. Shoreham Port: To support a growing, thriving Port

To facilitate the delivery of the adopted Port Masterplan, the provision of a modernised, consolidated port and to promote the important role of the port in the local and wider economy.

#### SO3. Economy and Employment: To stimulate the local economy and provide new jobs

To provide new, high quality employment floorspace and improve the business environment to support the needs of local employers. To equip local communities with the training and skills required to access existing and future employment opportunities

#### SO4. Housing and Community: To provide new homes to address local needs

To address shortfalls in local housing provision through delivering new homes of a range of sizes, tenures and types, including affordable and family homes as well as associated supporting community infrastructure.

**SO5. Sustainable Transport: To improve connections and promote sustainable transport choices**

To promote sustainable transport choices through ensuring that new developments are well served by high quality, integrated, improved pedestrian, cycling and public transport routes and seeking to reduce demand for travel by private car in innovative ways.

**SO6. Managing Flood Risk: To reduce the risk of flooding and adapt to climate change**

To ensure that development avoids and reduces the risks from flooding and impacts on coastal processes and that risks are not increased elsewhere as a result. To ensure that coastal defences accord with the relevant Shoreline Management Plan and the forthcoming Brighton Marina to River Adur Strategy for coastal defences.

**SO7. Nature Conservation: To conserve and enhance the harbour's environmental assets**

To protect and enhance the area's important environmental assets and wildlife habitats including Site of Special Scientific Interest (SSSI), Royal Society Protection Birds (RSPB) Reserve, Sites of Nature Conservation Importance (SNCI), Local Nature Reserves (LNR) and Village Green.

**SO8. Recreation and Leisure: To enhance and activate the Harbour's leisure and tourism offer**

To create places that promote healthy and enjoyable living by improving existing and providing new open spaces, green links, leisure and recreation opportunities. To improve connections to and use of the waterfront, coast and beaches as attractive destinations for both locals and visitors.

**SO9. Place Making and Design Quality: To promote high design quality and improve townscape**

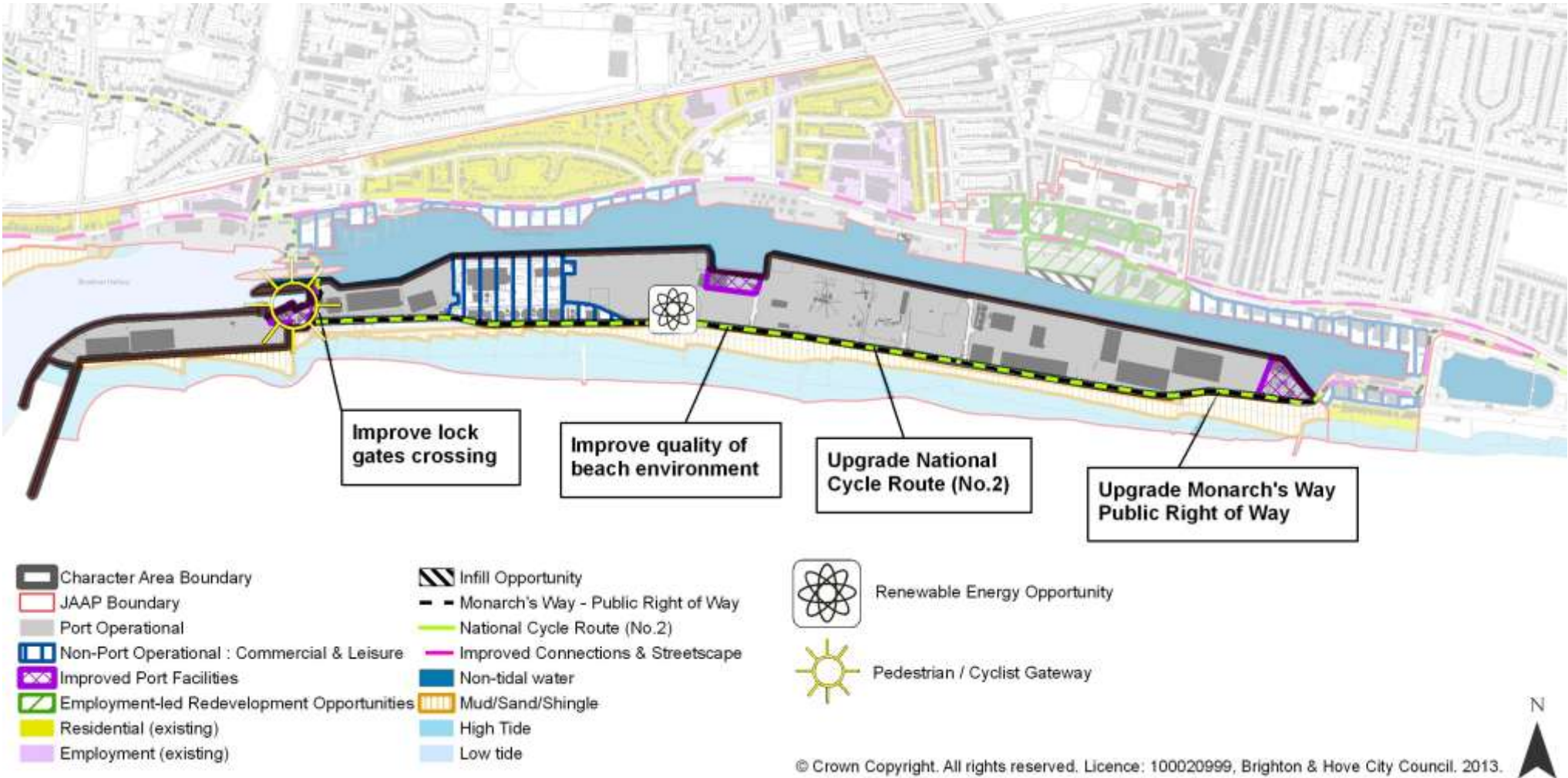
To promote developments of high design quality that maximise the waterfront setting, respect local character and form and enhance key gateways and public spaces. To protect and enhance the area's historic assets including the Scheduled Monument at Shoreham Fort, listed buildings and conservation areas.

### **2.3 CHARACTER AREA PROPOSALS**

- 2.3.1 The following section sets out proposals and planning policies that apply to each of the Character Areas as well as development principles for each of the Strategic Site areas. The boundaries of the Character Areas are shown on Figure 1.3. It should be noted that the boundaries are intended to be treated flexibly.



Figure 2.2: South Quayside Inset Map



## 2.4 CHARACTER AREA 1. SOUTH QUAYSIDE

### AREA PRIORITIES:

- To support Shoreham Port Authority in improving operational efficiencies, developing new trade and exploring opportunities for sustainable energy generation, in line with the adopted Port Masterplan.
- To accommodate the relocation of existing port operators from elsewhere within the Port.
- To identify and where appropriate accommodate the future capacity requirements for the Waste Water Treatment Plant.
- To improve Wharf Road and Basin Road South as a popular recreational route for walking and cycling, providing access to the beaches.
- With the exception of the existing Power Station, and the Waste Water Treatment Plant, non-port operations will not be permitted in this area.

*Source: Policy DA8 Brighton & Hove City Plan Part One / Policy 8 Revised Draft Adur Local Plan*

### CURRENT CHARACTER

- 2.4.1 South Quayside (together with the outer lay-by berths) is the main operational area of Shoreham Port with a significant concentration of port trades and quayside activity. It is proposed that this area is retained and protected for port operational uses.
- 2.4.2 The full length of South Quayside is some 2,370 metres, comprising 11 berths totalling 1,575 metres in length. The Outer Lay-by Terminal site extends further with two berths of 257 metres. In the quayside area cargo handling and ship unloading is carried out using mobile cranes and lift trucks. Plant installations utilised by operators include major aggregates grading and handling plant, ready-mix concrete plant and gantry cranes at the Parker Steel stockyard. Visiting fishing trawlers and other vessels often moor up alongside the power station. There are a number of security gate entry points to the port area, and the area north of Basin Road South is a secure area with no public access.
- 2.4.3 The long term spatial strategy for the harbour is dependent on consolidating port-related activities within the South Quayside area. As well as improving operating efficiencies for the port it will enable waterfront land to be released for alternative uses along the Western Harbour arm.

2.4.4 South Quayside is sufficiently removed from surrounding residential uses that it is able to accommodate uses that elsewhere could potentially harm residential amenity through noise and disturbance. Major facilities likely to remain for the timespan of the plan period include Shoreham Power Station and Waste Water Treatment Plant.

2.4.5 An assessment of the capacity of the Waste Water Treatment Works (owned by Southern Water) found that the existing plant has sufficient capacity to accommodate the levels of new development being proposed through the Local/City Plans and through this Draft JAAP. However proposed changes to environmental regulation requirements may have implications for future land take and an alternative site may need to be identified at some point during the plan period.

## **MOVEMENT AND CONNECTIONS**

2.4.6 HGVs serving the port and the public access this area via the main port entrance at the junction of Wharf Road and Kingsway (A259). Basin Road South runs the length of the south side of the port along the seafront down towards Carat's Café and its adjacent public car park.

2.4.7 To the western end of the quayside and forming the crossing over to the north side of the harbour, the Lock

Gates/ Dry Dock area are a key functional part of the port. As outlined in Character Area 4 below, the lock gate crossing is a public right of way and part of the national cycle route (No. 2). The route is already popular with local people and cyclists and has the potential to be made more of a focal point with better signage and way-finding. The Port Authority has reclaimed a small area of land here by the pump house to accommodate a new engineering base.

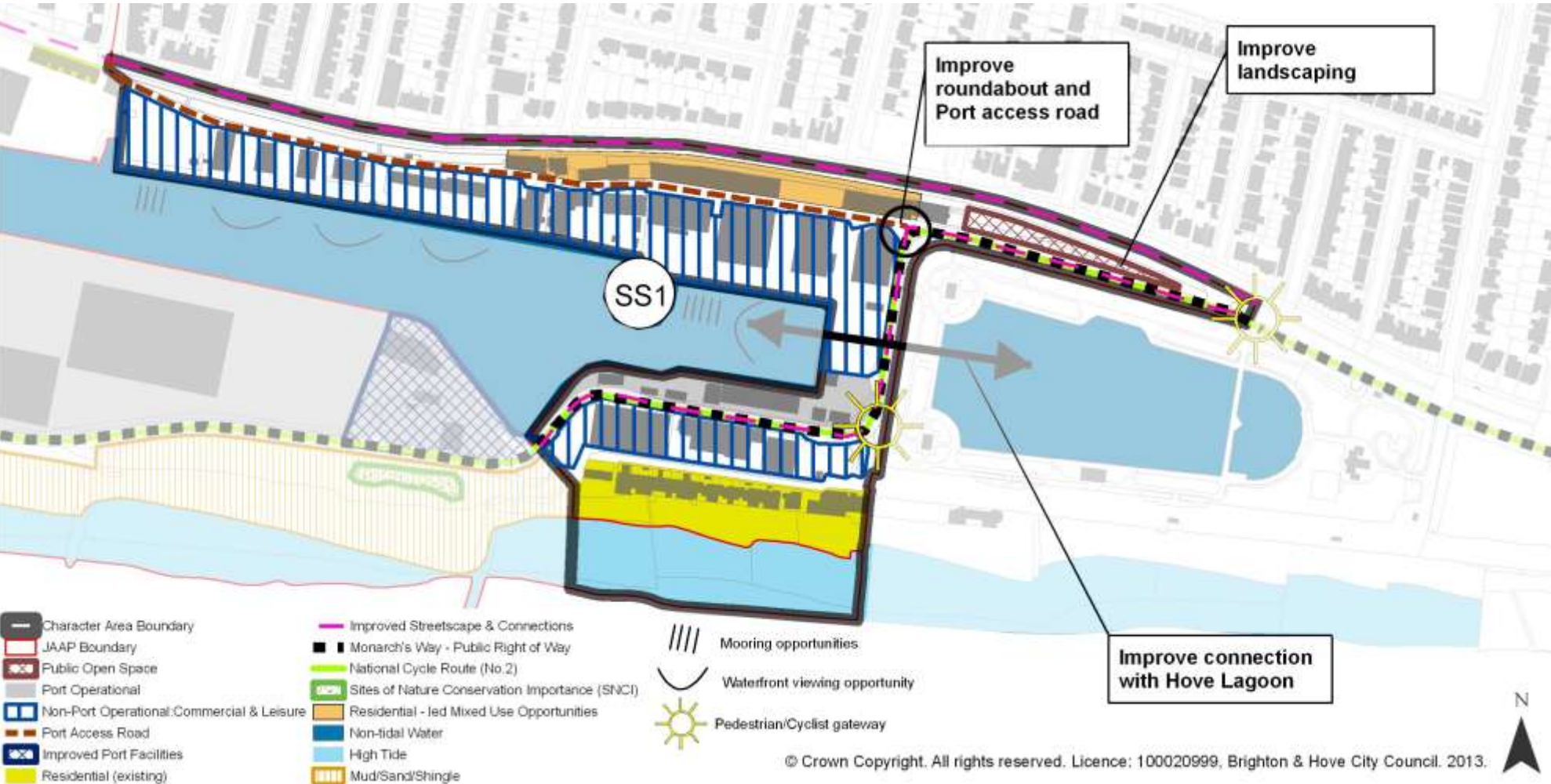
2.4.8 Basin Road South plays an important local recreational and environmental function and is well used by the public. Proposed improvements to both Southwick Waterfront and to the beach areas are likely to increase public usage of this area and it will be important to maintain appropriate buffers between the operational Port areas and public spaces.



**Policy JAAP 2: South Quayside**

- i. South Quayside will be safeguarded as a focus for future commercial port activity.
- ii. Ongoing protection will be provided for the functioning of the dry dock ensuring that land uses in the immediate vicinity do not compromise its ongoing efficient use.
- iii. The local planning authorities and the Port Authority will work closely with Southern Water to ensure that Waste Water Treatment infrastructure is fit for purpose and can accommodate future population changes.
- iv. Improvements will be sought to the crossing over the lock gates for the benefit of pedestrians and cyclists that do not detract from its principal port operational function.
- v. Improvements will be sought to the boundaries, surfacing, way finding and access to the beach environment.

Figure 2.3 Aldrington Basin Inset Map



## 2.5 CHARACTER AREA 2: ALDRINGTON BASIN

### AREA PRIORITIES:

- To designate Aldrington Basin as a Strategic Employment/Mixed-use Area (Strategic Site Allocation 1) to accommodate a vibrant mix of new and improved port operational facilities as well as compatible non-port employment uses, including A and B use classes.
- To accommodate appropriately located mixed-use residential development.
- To secure improvements to legibility, permeability and connectivity through high quality building design, townscape and public realm, ensuring to respect and complement the character of surrounding areas.
- To maximise intensification and redevelopment opportunities of existing lower grade, vacant and under-used spaces.
- To ensure that all development takes into account the findings and recommendations of current Strategic Flood Risk Assessments.
- To ensure that new development proposals take

account of noise and air quality impacts and that improvements are sought wherever possible.

*Source: Policy DA8 Brighton & Hove City Plan Part One*

### CURRENT CHARACTER

- 2.5.1 Aldrington Basin forms the eastern gateway to the harbour with the main port entrance at the junction of Wharf Road and Kingsway (A259). The basin is situated immediately adjacent to the historic Hove Lagoon and marks the end of the Hove seafront promenade and a transition to the industrial character of Shoreham Port. Overlooking the basin, on the north-side of the A259, is the West Hove residential area comprised of mostly two storey housing built in the 1920s and 1930s along pleasant tree-lined streets.
- 2.5.2 Since the mid 1800's Aldrington Basin has been predominantly occupied by industrial uses. Over time, a number of physical interventions such as reclamation, the addition of landing stages and wharves and the arrival of the Western Esplanade residential dwellings at the beginning of the twentieth century, have shaped its current character.
- 2.5.3 This area currently contains a mixture of mainly employment uses ranging from offices, retail outlets, a restaurant and pub at the Kingsway level through to light industrial, storage and marine-related uses down

in the basin itself. Some of the sites are owned and leased by the Port Authority including Hove Enterprise Centre, Brighton & Newhaven Fish Sales, E&E Autos and Quayside offices. The remaining sites are in private ownership.

- 2.5.4 Given the steep gradient of the basin below the Kingsway, the location is able to comfortably accommodate activities that may otherwise harm residential amenity due to noise, smell, dust or other disturbance. Maritime House and Hove Enterprise Centre continue to contribute towards meeting the local demand for affordable, flexible workshop/office space and experience high occupation.
- 2.5.5 A key consideration for development in the basin is that the eastern end of the canal acts as the main turning and reversing area for ships. The shape of the current turning area means the opportunity for infilling any of the basin to increase waterfront space is limited. Remodelling of this area may be a longer term opportunity but would require significant investment.

### **MOVEMENT AND CONNECTIONS**

- 2.5.6 Although the access route into the basin works relatively well, it creates a tight turning circle for commercial vehicles and the junction configurations have considerable scope for improvement. The Port Authority intends to provide a new route on the north

side of the canal from the existing mini-roundabout linking to the A259 at the Church Road junction in order to lead HGVs more directly on to the advisory route.

- 2.5.7 On the seaward-side there are a row of secluded high-end 1920s residential properties on the Western Esplanade overlooking private beaches. On either side is undulating beach gradient and unclear way-finding for walkers and cyclists acting as a natural barrier between Hove, Portslade/Southwick Beaches and Shoreham beyond. This area is very popular for walking, cycling and general recreation and there are a range of water-sports offered at Hove Lagoon. The Hove Deep Sea Anglers Club is adjacent. The access and connections at this point into the basin have considerable scope for improvement which would help to raise the local profile of the harbour area.

### **ENVIRONMENTAL CONSTRAINTS**

- 2.5.8 The basin falls within an Air Quality Management Area (AQMA) which is currently under review by BHCC. A new smaller AQMA and Air Quality Action Plan (AQAP) are expected to be designated during 2013. This will still include Kingsway and Wellington Road (A259), Church Road and Boundary Road/Station Road.

- 2.5.9 The area is crossed by several underground water mains and sewers (the latter conveying wastewater to the nearby waste water treatment works). This infrastructure needs to be protected and new development needs to ensure its operation remains unaffected.

### **FLOOD RISK MANAGEMENT**

- 2.5.10 Due to its elevated position, sites along the A259 Kingsway are not at a significant risk of flooding. For sites between the A259 Kingsway and the coast, there is a risk of tidal flooding. The Brighton & Hove Strategic Flood Risk Assessment (SFRA, 2012) identifies most of the Aldrington Basin area as Flood Zone 2 and 3a with some small areas of Flood Zone 3b for tidal flooding. The estimated maximum flood depth for this area for the 1:200 year tidal event is 0.50m, with some areas estimated to flood to a depth of just 0.20m.
- 2.5.11 The risk associated with this form of flooding increases significantly when sea level rise associated with climate change is factored in. In this scenario, maximum estimated flood depths increase to about 1.4m with increased flood velocities. Development in this location will need to take this flood risk constraint into consideration.

Figure 2.4 Key sites promoted for redevelopment



Source: South Portslade and Aldington Basin Development Brief (2013)



## DEVELOPMENT OPPORTUNITIES

2.5.12 As a Strategic Site Allocation (SS1) and key area of change, a Development Brief has been adopted by BHCC. The release of sites for redevelopment in and around the basin requires careful management given the close proximity of port operations and residential areas on the north-side of the Kingsway and Western Esplanade. The Partnership will work with businesses and service providers to identify their needs and overcome barriers to growth in order to improve the basin as a modern thriving local business cluster. As shown on Figures 2.3 and 2.4, key proposals include:

### Employment-led redevelopment opportunities

2.5.13 It is proposed that employment remains the predominant land use at Aldrington Basin. Sites promoted for employment-led redevelopment are as follows:

2.5.14 Sites bounded by Basin Road North and Basin Road South, opposite Hove Lagoon (refer to 2.1, 2.2 on Figure 2.4):

- Opportunities to develop the under-used sites to the north of Newhaven & Brighton Fish Sales for modern fit-for-purpose employment space will be encouraged.

- The redevelopment of other sites in the immediate vicinity will also be promoted where modern, high quality new employment floorspace can be delivered.

2.5.15 Sites on the south-side of Basin Road North (refer to 3.1, 4.1, 5.1 on Figure 2.4):

- Ferry Wharf and the site immediately east of Hove Enterprise Centre, owned by the Port Authority, could be developed to provide modern, employment floorspace suitable for compatible uses such as Environmental Technologies.
- The port-owned Hove Enterprise Centre remains a successful operation supplying flexible workspace and will be protected in its current use throughout the plan period.
- The other sites south of Basin Road South may be appropriate for redevelopment for modern employment floorspace at a later stage in the plan period.

### Residential-led redevelopment opportunities

2.5.16 New residential development will only be considered acceptable between Basin Road North and the Kingsway level. Sites on the north-side of Basin Road

North (Refer to 1.1, 1.2 and 1.3 on Figures 2.3 and 2.4):

- It is proposed that the plots extending from the Blue Lagoon Bar (excluding the pub) to the east to Ocean Sports Board Riders to the west could be redeveloped for employment uses at the Basin Road South level with mixed-employment / residential apartments rising above the Kingsway level.

#### **Opportunities for new leisure, visitor, and ancillary retail**

- 2.5.17 The redevelopment of sites adjacent to Hove Lagoon may provide the opportunity to introduce some leisure activities and marine-related visitor attractions that would help to enliven the basin and encourage visitors to the area helping to break down the barrier between Hove and Shoreham to the west. Sites situated to the north of Brighton and Newhaven Fish Sales may include small-scale ancillary retail facilities as part of a mixed-use employment-led scheme.
- 2.5.18 The refurbishment and enhancement of existing activities and sites in the remainder of Aldrington Basin to provide modern, good quality employment space will be encouraged..

#### **Improving streetscape along Kingsway A259 corridor**

- 2.5.19 In combination with landscaping and signage improvement, new residential schemes appropriately set-back from the Kingsway will play a key role in providing a more domestic scale and attractive character along the A259.

#### **Improving connections with Hove Lagoon and Hove Seafront**

- 2.5.20 Where sites and groups of sites come forward, opportunities to create direct public or semi-public access to the waterfront should be explored. There is a major opportunity to augment proposals for improved employment, leisure and retail uses through the delivery of new signage, and improved visual and physical access from Aldrington Basin to Hove Lagoon. This would help to soften the boundaries of the basin and could be achieved through relatively minor interventions in formal landscape and site layout of the Lagoon. In physical terms, this connection could be achieved through the development of pathways and crossings to achieve direct, safe access.



### **Improving Basin Road South cycle route and Monarch's Way**

- 2.5.21 The port-owned coast road that runs parallel to south quayside provides vehicular access to the main operational port areas. It forms part of the National Cycle Network (NCN2) which runs along Wharf Road and Basin Road South before crossing the lock gates. The NCN2 will eventually connect many of the urban areas along the south coast. Despite the poor conditions of this route for cycling and walking, the poor quality of the public facilities and generally dated appearance, it remains a popular route and the beaches are frequented by local families, swimmers, surfers and artists particularly during the summer months.
- 2.5.22 Parallel to the cycle route there is a Public Right Of Way which forms the end of the historic 'Monarch's Way' route, a long distance footpath (990km) that approximates the escape route taken by King Charles II in 1651 after being defeated in the Battle of Worcester. There is considerable potential to improve the quality of this route through a comprehensive landscaping upgrade and interpretive signage.

### **Improved Port Access Road**

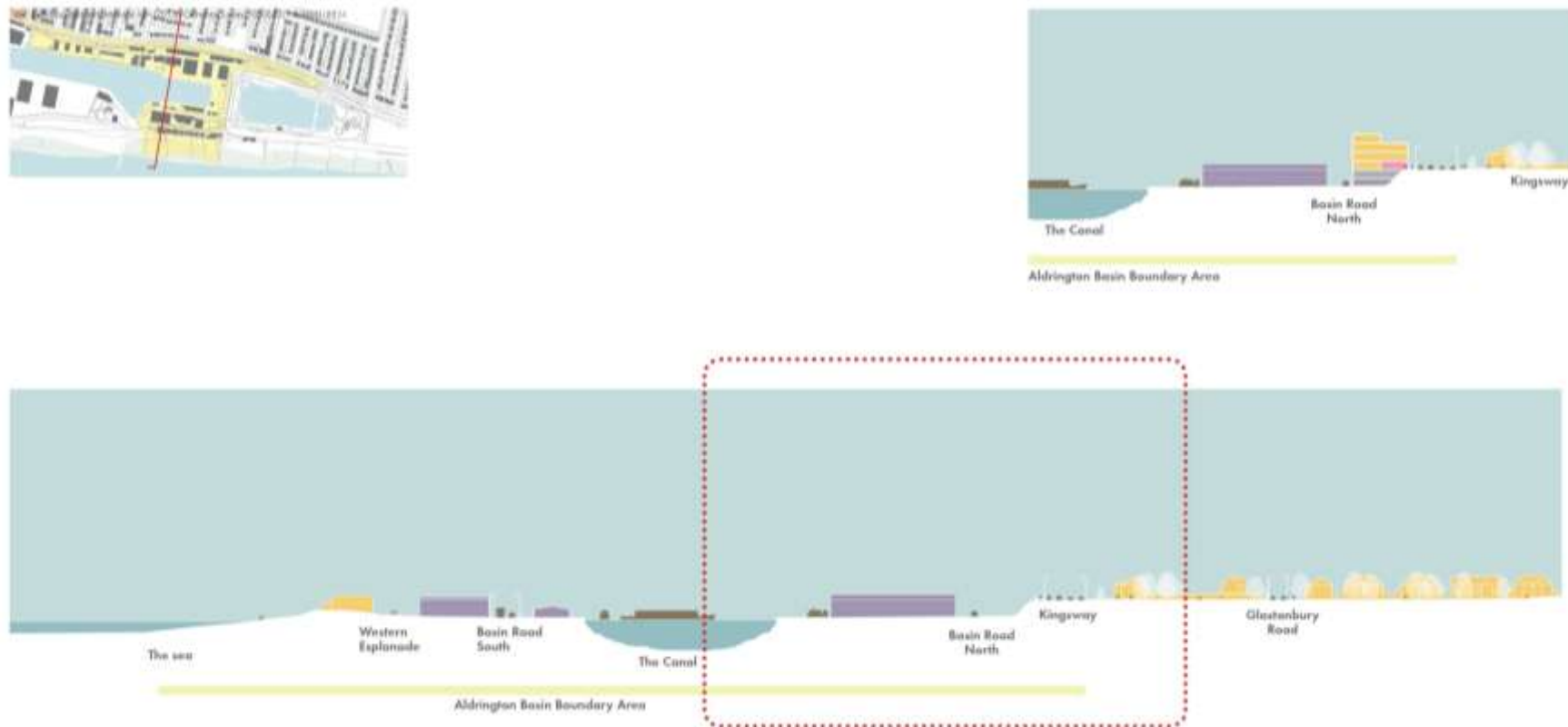
- 2.5.23 Although the vehicular access route into the basin currently works relatively well, it creates a tight turning circle for commercial vehicles and the junction configurations have considerable scope for improvement. There is a narrow one way east-west private port road (Basin Road North) on to the A259. The Port is planning to widen and improve this route to form a more accessible route through the operational port and lead HGVs more directly on to the advisory route at Church Road.

### **Development Form and Typology**

- 2.5.24 The illustrative framework within the Development Brief outlines the following principles for development form:
- For new employment floorspace at the basin level, flexible B1 employment uses (and other ancillary uses) are proposed arranged as two and/or three storey buildings on under-used plots.
  - Mixed employment and residential uses with a dual frontage onto Kingsway (residential / mixed commercial activities of up to four storeys above the Kingsway) and Basin Road North (employment uses).

- Buildings in the basin itself should be simple and flexible with a contemporary appearance and character in keeping with the aesthetic of the Harbour.
- The South West Hove area is a distinctive neighbourhood and forms an attractive setting to the north of Kingsway. New buildings in the vicinity should not seek to replicate the historic form of southwest Hove. New buildings should be of a modern design which complements the existing historic character.

**Figure 2.5 Proposed and existing site sections – Aldington Basin**



Source: South Portslade and Aldington Basin Development Brief (2013)

### Policy JAAP 3: Aldrington Basin (SS1)

- i. The Partnership will work with developers and stakeholders to deliver approximately 400 new homes and 7500sqm of new employment floorspace (in combination with SS2: South Portslade Industrial Estate) in accordance with the principles established in the Development Brief.
- ii. New development fronting the Kingsway will have a significant impact on the character of the local street scene and image of the entrance to the harbour. Building heights of up to four storeys above the Kingsway (six storeys above Basin Road North) are generally considered acceptable subject to high quality design and being suitably orientated to accommodate generous views between new buildings to maintain a sense of openness and promote views through wherever possible.
- iii. The Kingsway currently benefits from an open maritime brightness and the overall scale and mass of new proposals should respond to this. The scale of development should provide a positive impact on the street environment along Kingsway. On the South side of the Kingsway, in order to protect the amenity of the West Hove townscape, any development shall not exceed

the height of the recently built Vega flats.

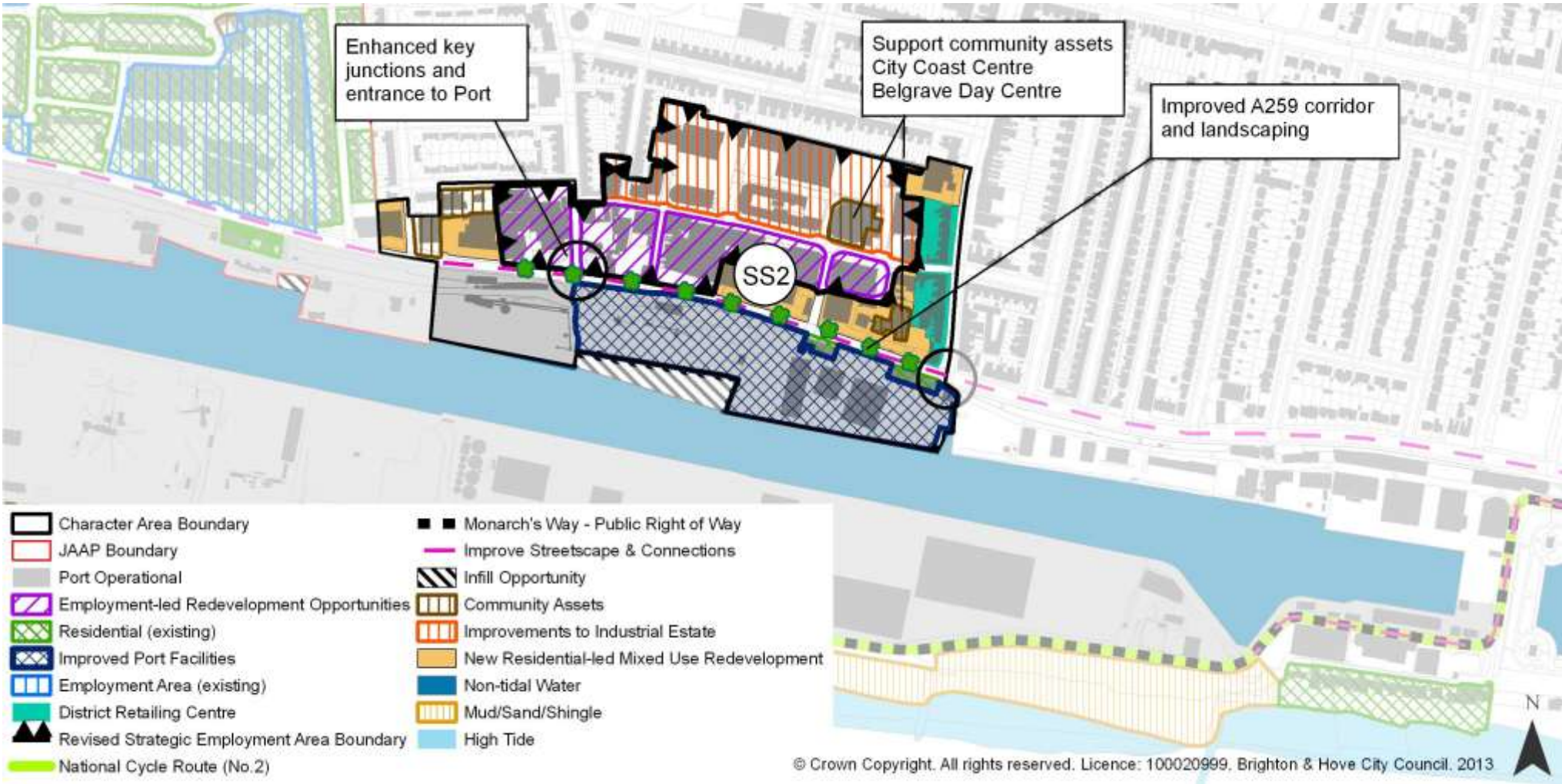
- iv. New employment and ancillary uses at the basin level are generally considered suitable for two-three storeys. If taller buildings are proposed for sites 4.1 and 5.1, care needs to be taken to consider sunlight impacts on sites 1.3 and 1.1 respectively.
- v. Where appropriate, proposals will be expected to enhance townscape around key linkages and junctions, in particular Wellington Road / Basin Road North junction.
- vi. In accordance with the emerging Flood Risk Technical Guidance, development proposals should be designed to be safe for the 1:200yr tidal flood event level to 2115 for residential uses and to 2082 for commercial development with an appropriate freeboard (i.e. the watertight safety zone above the theoretical flood level).

**Policy JAAP 4: Aldrington Basin (SS1) - Transport**

In accordance with the Draft Shoreham Harbour Transport Strategy, opportunities will be sought to:

- Improve streetscape along Kingsway A259 corridor and improve connections with Hove Lagoon and seafront.
- Improve Basin Road South cycle route (No.2) and Monarch's Way Public Right of Way.
- Support the delivery of a reconfigured access road at Basin Road North to increase efficiency of port traffic movements and encourage HGVs to use the advisory routes.

Figure 2.6 North Quayside & South Portslade Inset Map



## 2.6 CHARACTER AREA 3. NORTH QUAYSIDE & SOUTH PORTSLADE

### AREA PRIORITIES:

- To designate South Portslade Industrial Area as a Strategic Employment/Mixed-use Area, including some appropriately located residential development.
- To develop North Quayside as a new and improved Port operational area accommodating new and relocated port uses with limited land reclamation and a new access road (within the Port boundary) in line with the Port Masterplan.
- To secure improvements to legibility, permeability and connectivity through high quality building design, townscape and public realm, ensuring to respect and complement the character of surrounding areas.
- To improve connections and townscape around key linkages including Boundary Road/Station Road (B2194) district retailing centre, Church Road (B2193) and along the A259.
- To ensure that all development takes in to account the findings and recommendations of

the current Strategic Flood Risk Assessment

- To ensure that new development proposals take account of noise and air quality impacts and that improvements are sought wherever possible.

*Source: Policy DA8 Brighton & Hove City Plan Part One*

### CURRENT CHARACTER

- 2.6.1 The North Quayside area of the port and South Portslade Industrial Estate are home to a diverse mix of mostly industrial premises nestled within a residential neighbourhood. Land uses on the south-side of the A259 are predominantly port-related, industrial and aggregate uses including the port-owned Britannia Wharf.
- 2.6.2 The industrial estate is defined predominantly by employment uses across a range of activities including car garages, offices and product fabrication. To the north and west of the industrial estate, the area is abutted by residential properties, in some cases on the same street (e.g. Church Road, St. Peter's Road) and to the east, the district retailing centre of Station Road / Boundary Road, leading to Portslade Station. There are several community uses such as the City Coast



Church /Community Centre, St Peter's School and the BHCC-owned Belgrave Day Centre.

2.6.3 South Portslade Industrial Estate has an intriguing history and the current legacy of streets and buildings is a product of conscious decisions by landowners and interventions by the public sector. By 1913, South Portslade was firmly established as a residential neighbourhood; however, there is evidence of a flaw in the street pattern which may have contributed to its subsequent redevelopment. Several streets running north-south (West Street, Ellen Street and East Street) were truncated as the land owner to the immediate north established a new east- west street (St Andrew's Road) which prevented its full integration into the South Portslade neighbourhood. The post-war years witnessed the radical reinvention of South Portslade with housing cleared and replaced by industrial premises. The truncated network of streets reinforced this process of separation, which is clearly evident by the 1970s.

2.6.4 The quality of the buildings within the estate is of varying merit with some of the buildings visibly coming towards the end of their useful life. Although none of the buildings are of sufficient merit to warrant statutory designation in their own right, there are a good supply of predominantly robust, serviceable buildings which contribute to the character of the area.

2.6.5 Historically there has been an ongoing association between the residential communities of South Portslade and the growth of Shoreham Harbour, with many working class families living in the estate and working in the harbour. The estate continues to serve an important function in the local economy offering comparatively affordable industrial and flexible/workshop premises to small and medium-sized businesses with the benefit of being surrounded by similar uses, reducing the risk of disturbance complaints.

## **MOVEMENT AND CONNECTIONS**

2.6.6 The southern edge of the estate is defined by the stark environment of the A259. Although benefitting from dramatic views to the sea over the working harbour, the A259 suffers from weak frontages and buildings backing on to its northern side, poor quality public realm and a lack of frontage to the south. The townscape environment, particularly along Wellington Road is run down and unsightly which has a detrimental impact on the perception of this part of the harbour.

2.6.7 The estate's internal road network is not well connected to its surroundings and is bound to the north and west by rows of terraced housing. There are two main north-south access roads, Boundary Road/Station Road (B2194) and Trafalgar



Road/Church Road (B2193). These are well used by HGVs and link the harbour to the A270 and A27. These routes are key gateways into the harbour area and have significant scope for landscaping and signage improvements. The busy Church Road / Wellington Road junction is particularly impacted by the presence of aggregate/grain processing port uses, limiting the types of uses that are suitable to be situated in close proximity.

- 2.6.8 There is currently a narrow one-way port access road (Basin Road North) on to the A259 at the Boundary Road/Station Road junction which the Port Authority intends to upgrade and extend to form a more accessible route through the operational port.

### FLOOD RISK MANAGEMENT

- 2.6.9 South Portslade Industrial Estate is situated outside of the area at risk of tidal and fluvial flooding. However the Brighton & Hove *Strategic Flood Risk Assessment* (SFRA, 2012) identifies some parts of the area as being at risk of surface water flooding in both the 1 in 30 and 1 in 200 year events. This is particularly the case around the junction of Church Road and Wellington Road as this is a localised area of lower lying land.

- 2.6.10 Surface water flooding can result in pollution to water and development in this location will need to take this flood risk constraint into consideration.

### DEVELOPMENT OPPORTUNITIES

- 2.6.11 North Quayside will remain protected for port-related uses as part of the consolidation of port activities.
- 2.6.12 As a Strategic Site Allocation (SS2), a Development Brief has been adopted for South Portslade Industrial Estate. Key proposals are shown in further detail on Figures 2.7 and 2.8 below.
- 2.6.13 Although BHCC own some of the land within the estate, the majority of sites are privately owned and therefore coordinating a comprehensive redevelopment approach is likely to prove challenging and may require public sector intervention. The key planning considerations for renewal of this area are the impact on employment floorspace supply, impact on existing businesses and the compatibility of introducing new residential uses within the existing employment uses to the north and port operational uses to the south.

### Managed release of sites for mixed-use redevelopment opportunities

- 2.6.14 Due to the proximity of a concentration of well-established predominantly industrial uses, the release of sites within the estate for redevelopment requires careful management.
- 2.6.15 It is recommended that the core of the industrial estate remains protected for employment uses with a limited number of carefully selected plots around the periphery promoted for redevelopment. These sites have been selected either where they are vacant and redundant from their existing use, where their location makes them peripheral to the employment area core or where redevelopment would provide wider renewal benefits. Locations where redevelopment opportunities are promoted are as follows (from east to west):
- 2.6.16 Sites bounded by Camden Street, North Street and Wellington Road (refer to 1.1, 1.2 on Figure 2.7):
- With the exception of the existing shops and amenities on North Street and Boundary Road / Station Road, much of this block could be comprehensively redeveloped for a residential-led scheme, in particular focussing on improving the frontage visible from the A259.
  - Regency House (block D on Figure 2.7) remains suitable for employment use (compatible with the adjacent residential use) creating a buffer between new residential uses and the existing industrial uses on the north side of North Street.
  - The council-owned Belgrave Residential Centre would benefit from an improved facility and could be re-provided on-site as part of a new, improved facility or off-site in a suitable location.
- 2.6.17 The existing Kwik-fit store (refer to 2.1 on Figure 2.7) on Boundary Road / Station Road could be redeveloped to 'repair' the retail frontage as well as providing residential and / or new employment uses. The redeveloped site could comprise a two-three storey building with active commercial / retail uses at ground floor and residential dwellings above with amenity space to the rear.
- 2.6.18 The depth of the site would allow the creation of a small number of mews / terraced houses off the main street. This approach would allow the future option of forming a new east-west street running parallel to North Street and reinstating the residential grain that originally characterised the area. This is not currently appropriate and would need to be considered in the very long term beyond the plan period, subject to a review of employment land. Key considerations for any change of use on this site will be the impacts on the existing residential uses and employment uses to the rear.

2.6.19 Sites bounded by Middle Street, North Street, Camden Street and Wellington Road (refer to 3.1 and C on Figure 2.7):

- It is recommended that site 3.1 is subject to comprehensive redevelopment proposals introducing residential uses, along the southern frontage overlooking the harbour, set back from Wellington Road.
- The ground floors of 3.1 and the remainder of block C could provide new, high quality, fit for purpose employment space (capable of being compatible with the adjacent residential) creating a buffer with the employment uses to the north.

2.6.20 Sites either side of the south end of Church Road, bounded by Middle Street to the east and Wellington Road to the south (refer to plot references A and B on Figure 2.8):

- Due to the close proximity to the busy Church Road/Wellington Road junction at the entrance to the port and the close proximity to industrial port operational uses, it is recommended that blocks A and B are considered to be longer term redevelopment opportunities for modern employment space. Public sector intervention may be required to assist in bringing forward these sites comprehensively due to the mix of land ownerships.

2.6.21 Sites bounded by St. Peter's Road, Brambledean Road, and Wellington Road (refer to plot references 4.1, 5.1 on Figure 2.7):

- The north and western sides of block 4.1 should be retained in residential and educational use. However, the remainder could be redeveloped as a residential-led scheme. The south-western corner site is currently being redeveloped as a new frontage and extension to the primary school which will help improve the road frontage.
- Block 5.1 could be a longer term redevelopment opportunity to help complete the terrace along Brambledean Road.

### Residential uses

2.6.22 New residential developments will provide much needed new homes and help contribute to the creation of a softer edge to the fringes of the port operational and employment areas. They will also help to deliver public realm and infrastructure improvements through associated contributions.

2.6.23 At South Portslade, a mix of apartments, terraced town houses and mews housing would be appropriate, with

the majority of residential dwellings likely to be arranged as flatted accommodation. The illustrative framework within the Development Brief shows apartments arranged to complete urban blocks or forming new perimeter blocks. A number of sites in South Portslade Industrial Estate are proposed as apartment blocks of varying heights overlooking Wellington Road and the port to the south.

2.6.24 A limited number of infill opportunities exist to complete predominantly terraced streets such as Brambledean Road through the development of two-three storey terraced townhouse dwellings.

2.6.25 Mews housing – where site dimensions and depth allow, opportunities exist (such as part of a redeveloped Clarendon Place) to create a two-three storey mews housing typology alongside apartments.

#### **Redefining the core employment area boundary**

2.6.26 A refined core employment area for the estate is proposed for further consideration through the JAAP process. The original boundary was based on the Employment Area designation in the adopted Brighton & Hove Local Plan (2005).

2.6.27 It is envisaged that North Street remains the core spine of the employment area fronted by modern employment floorspace. Opportunities will be sought

by the Partnership to support and promote the provision of modern employment floorspace and improve the business environment within the redefined core employment area.

#### **New areas of public open space and landscaping**

2.6.28 New areas of green space and landscaped areas are proposed as part of new development proposals. BHCC will work with developers to explore the role, function and detailed design of spaces as they come forward.

#### **Improving connections and streetscape**

2.6.29 Opportunities exist to enhance the permeability of South Portslade Industrial Estate, seeking to repair and reconnect sites to adjacent neighbourhoods and key routes. During the plan period, opportunities may exist to create new north-south connections (e.g. between Church Road and Brambledean Road, linking Wellington Road to St. Peter's Road). Beyond the plan period, further opportunities may exist to unlock and extend routes (pedestrian or vehicular) such as Ellen Street and West Street.

2.6.30 New set-back residential development adjacent to Wellington Road could play a key role in providing a softer and more attractive character to this part of the A259. BHCC is currently exploring an arts-led

approach to enhancing the landscaping along this frontage.

- 2.6.31 Linkages to existing recreation and open space assets such as Hove Lagoon, West Hove and Portslade/ Southwick Beaches will also be encouraged.

### **Supporting community assets**

- 2.6.32 There are several community assets within the area that provide important functions, including City Coast Church and Community Centre, St Peters Primary School and the Belgrave Day Centre. Any options involving the future development of Belgrave Day Centre would be subject to full consultation with service users.
- 2.6.33 New developments in the area should take into account the proximity to these activities; seek to enhance the quality of their environment wherever possible and mitigate potential impacts.

**Figure 2.7 Proposed revised employment area boundary**



Source: South Portslade and Aldington Basin Development Brief (2013)

Figure 2.8 Key site proposals for South Portslade Industrial Estate



Source: South Portslade and Aldrington Basin Development Brief (2013)



### Policy JAAP 5: South Portslade Industrial Estate (SS2)

- i. The Partnership will work with developers and stakeholders to deliver approximately 400 new homes and 7500sqm of new employment floorspace (in combination with SS1: Aldrington Basin) in accordance with the principles established in the adopted Development Brief.
- ii. The sites (shown on Figures 2.7 and 2.8) promoted for redevelopment in and around the industrial estate are generally considered suitable for four - six storeys with the following specific considerations for locations in close proximity to existing residential areas:
  - Site 1.1: Proposals for development at the far eastern boundary of 1.1 need to be mindful of impacting access to daylight on the rear of Station Road properties adjacent. The south east corner of 1.1 is directly opposite existing residential buildings and as such new buildings in this location are suitable for up to three-four storeys.
  - Sites 2.1 and 1.2: The terraced townhouse infill opportunities and sites fronting Boundary Road/Station Road are recommended to be two-three storeys in keeping with surroundings.

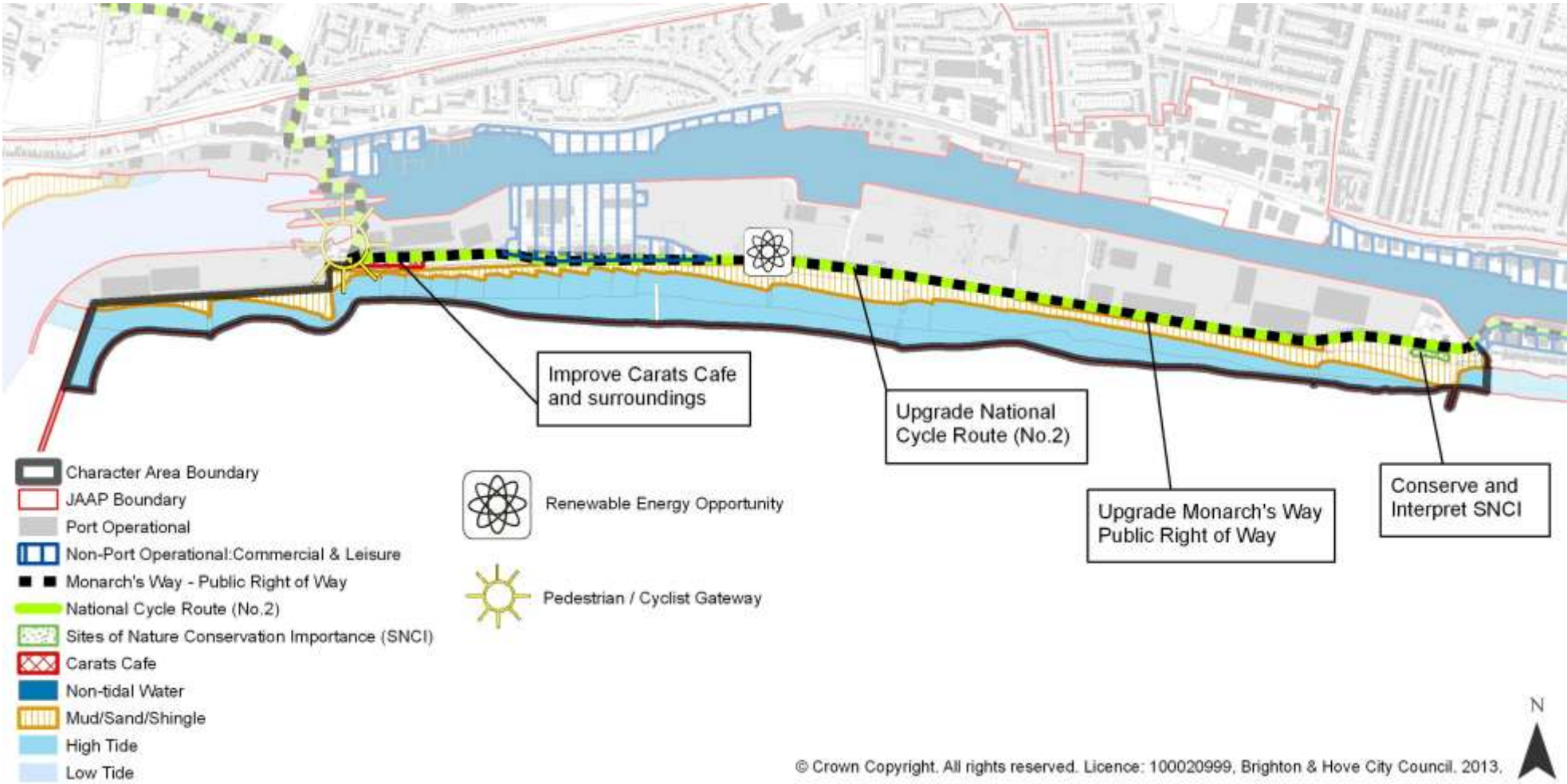
- Block A: Whilst the southern section of Block A may be able to accommodate greater height, the frontage to St Peter's Road, opposite existing residential uses, would be limited to two-three storeys, unless a sufficient setback from the pavement was incorporated.
- iii. New developments fronting Wellington Road should be setback given the proximity to both the road and port operational uses opposite and to prevent a canyoning effect that could impact local air quality.
  - iv. Most of the proposed redevelopment sites are surrounded by commercial uses therefore as the townscape changes over time, comprehensive redevelopment may offer potential for greater height, subject to consultations through the planning application process, detailed design considerations and meeting the policies of Taller Building Guidance (SPG15) and the emerging Urban Design Framework.
  - v. Where appropriate proposals will be expected to enhance townscape around key linkages and junctions, in particular Boundary Road/Station Road / Wellington Road junction and Church Road (B2193) / Wellington Road (A259) junction.



**Policy JAAP 6: North Quayside (Port operational)**

- i. North Quayside will be safeguarded as a focus for future commercial port activities.
- ii. In accordance with the Shoreham Harbour Transport Strategy, opportunities will be sought to support the delivery of a reconfigured access road at Basin Road North to increase efficiency of port traffic movements and encourage HGVs to use the advisory routes.

Figure 2.9 Portslade and Southwick Beaches Inset Map



## 2.7 CHARACTER AREA 4. PORTSLADE & SOUTHWICK BEACHES

### AREA PRIORITIES:

- To seek improvements to the quality, access, appearance and maintenance of the Public Right of Way corridor, beach promenade, public areas and beach environment.

*Source: Policy DA8 Brighton & Hove City Plan Part One / Policy 8 Revised Draft Adur Local Plan*

### CURRENT CHARACTER

- 2.7.1 The port-owned coast road that runs parallel to South Quayside provides vehicular access to the main operational port areas. It forms part of the National Cycle Network (NCN2) which runs along Wharf Road and Basin Road South before crossing the lock gates, travelling along a short length of A259 before turning right on to the B2167 and then Park Road. The NCN2 will eventually connect many of the urban areas along the south coast.
- 2.7.2 Alongside the cycle route is the Monarch's Way walking trail which runs from Nautilus House (Port Authority head office), over the lock gates and along Basin Road South, finishing at Hove Lagoon. There is considerable potential to improve the quality of this

route through a comprehensive landscaping upgrade, whilst maintaining the security of the adjacent port operational areas.

- 2.7.3 There is a Site of Nature Conservation Importance (SNCI) at the eastern end of this area adjacent to Basin Road South, described as Vegetated Coastal Shingle, the largest of three remaining areas of vegetated shingle (an internationally threatened habitat) in Brighton & Hove. It supports several notable species, including Sea Kale (a nationally scarce plant) and Yellow-horned Poppy. There is also an unconfirmed report of the rare Black Redstart bird. There is potential for raising public awareness through better demarcating the area and interpretive signage.
- 2.7.4 Despite the industrial feel of this route, it remains popular and the beaches are frequented by local families, swimmers, surfers and artists particularly during the summer months. There is also a public car park (owned by ADC) with 111 spaces.
- 2.7.5 Carats Café (leased from ADC) is a strong magnet for local people and businesses all year round to the extent that it is looking to extend to accommodate more seating. There have been some recent resurfacing improvements in this location but its full potential as a visitor destination remains untapped. The area would also benefit from better signage and lighting that could help reduce risks of vandalism.

- 2.7.6 The ADC-owned beach huts adjacent to the café have recently been refurbished (2010) and remain oversubscribed. There may be an opportunity to increase the number of beach huts and use some of them for local artist's studios.

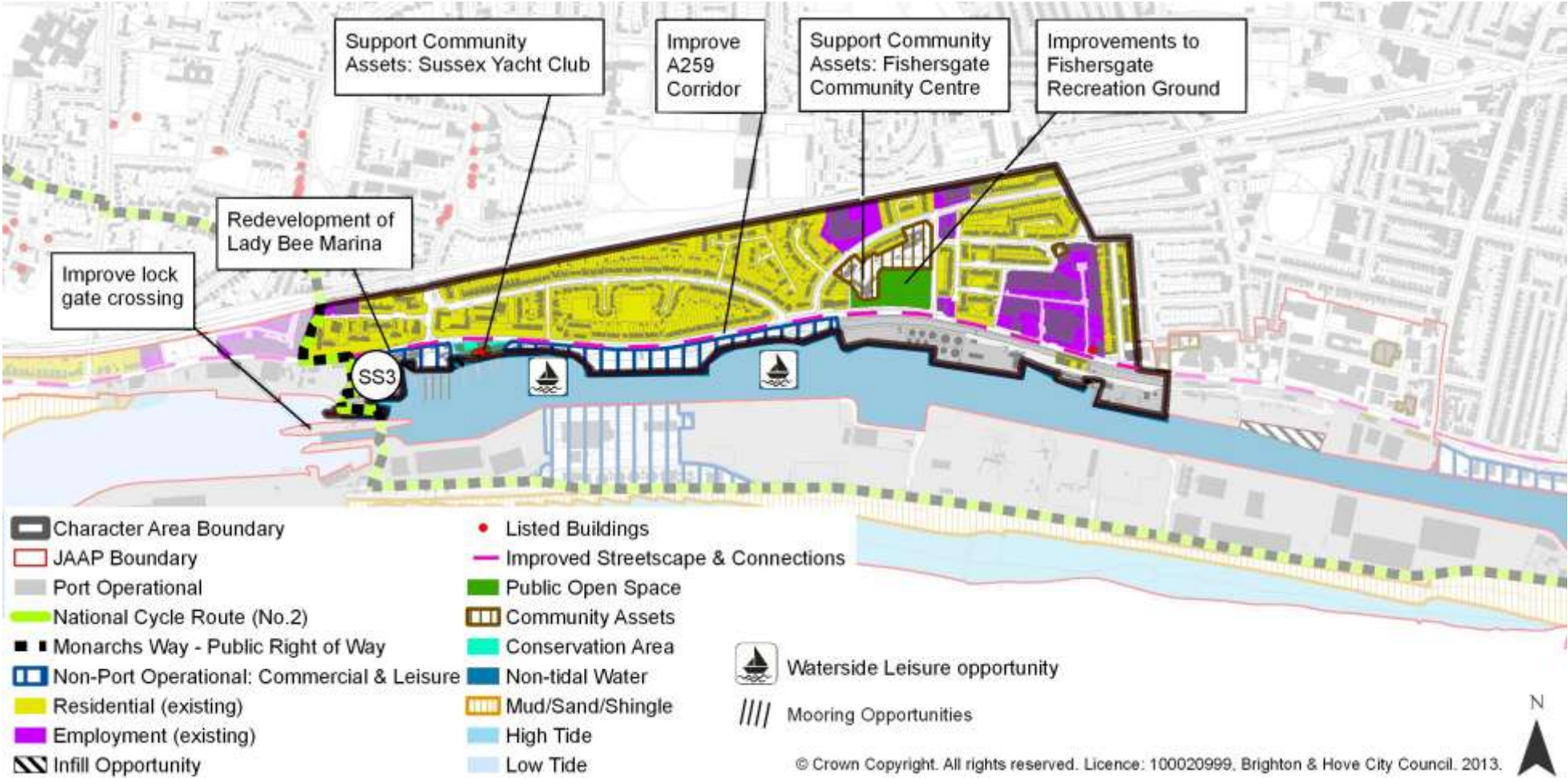
#### **Policy JAAP 7: Portslade & Southwick Beaches**

- i. The beach areas and adjacent public spaces will be safeguarded for the protection of coastal processes, marine habitats and the enjoyment of local communities and visitors.
- ii. The Partnership will promote opportunities to improve the quality of the National Cycle Route No. 2 and Public Right Of Way corridor. For example including:
  - Better delineation of walking/cycling route
  - Safeguarding and interpreting the SNCI
  - Improving fencing, repairs to wave return wall, general graffiti removal, better beach maintenance regime
  - Work with local community to identify suitable locations for incorporation of public art.

- Explore potential for increasing beach huts and converting some to artist's studios.
- Explore opportunities for environmental improvements to car park entrance and boundaries including landscaping, fencing, signage, lighting and an enhanced entrance.
- Improvements to ADC-owned Carats Café and immediately surrounding area.



Figure 2.10 Fishersgate and Southwick Inset Map







## 2.8 CHARACTER AREA 5: FISHERSGATE & SOUTHWICK WATERFRONT

### AREA PRIORITIES

- To support the comprehensive reconfiguration of Strategic Site Allocation 3: Lady Bee Marina / Southwick Waterfront in line with a future development brief.
- To address deprivation through partnership working.
- In the operational areas of the Port, support the Port authority in improving operational efficiencies, developing new trade and exploring opportunities for sustainable energy generation, in line with the adopted Port Masterplan.
- To improve sustainable transport links with surrounding communities.

*Source: Policy 8 Revised Draft Adur Local Plan*

### CURRENT CHARACTER

2.8.1 The Fishersgate and Southwick Waterfront area comprises a mix of residential, community, open space, recreational and employment uses. Within the

residential community there are pockets of deprivation which is the focus for the work of the 'Action Eastbrook Partnership Area' (AEPA).

2.8.2 The eastern end of this character area comprises the Fishersgate neighbourhood, between the railway line to the north and the busy A259 to the south. There is a footbridge over the railway line connecting to Fishersgate Station. The residential areas located here are in very close proximity to the industrial activities of the port including the Texaco premises as well as a nearby industrial estate and electricity substation. There are a number of community assets including two community centres, a recreation ground with children's play area, a primary school and a Children and Family Centre.

2.8.3 Fishersgate is a densely populated urban area with a high proportion of flats. The housing is predominantly terraced with some semi-detached houses and two ADC Council-owned estates with multi-storey flatted developments reaching up to 6 storeys high. The surrounding public landscaped space is fairly sparse but serves as a green buffer between housing and the road.

2.8.4 The Mill Road Industrial Estate, located to the east of the Fishersgate area, comprises a mix of retail units, manufacturing warehouses, office space and storage (including self-storage) warehouses. In the west of this



character area is the Grange Industrial Estate which comprises a mix of retail units, manufacturing units, printing companies and distributing warehouses. The Grange Industrial Estate is well-used with low vacancy rates.

### MOVEMENT AND CONNECTIONS

2.8.5 Southwick lies to the west of Fishersgate. The main centre of this neighbourhood is located to the north of the railway line, formed around an attractive green and traditional high street. The character and quality of housing to the north of the railway line varies with larger detached and semi-detached Victorian properties fronting on to The Green. The railway line is less of a physical barrier here due to the presence of two access points linking the centre of Southwick with the Southwick Waterfront area.

2.8.6 Pedestrian and cycle connections linking Fishersgate with surrounding areas are poor with the A259 and adjacent footways representing the main route east / west.

### DEVELOPMENT OPPORTUNITIES

2.8.7 For the foreseeable future the waterfront area adjacent to Fishersgate will remain in port operational use. As the port uses change over time it will be important to take account of the effect on nearby residential areas. .

### Southwick Waterfront (SS3)

2.8.8 To support the delivery of the Southwick Waterfront Strategic Site (SS3) the Port Authority intends to prepare a Development Brief to guide the revitalisation of the Lady Bee Marina area.

2.8.9 The Marina currently contains an eclectic assortment of interesting buildings, many dating from the 19th and early 20th centuries. The Marina has a quaint, maritime charm and includes a chandlery and pub/restaurant. It has 120 pontoons for private boats and is a popular spot for anglers and dog walkers.

2.8.10 Parts of Lady Bee Marina fall within the Riverside Conservation Area including the Grade II listed Royal Sussex Yacht Club. The Yacht Club is the largest water sports club in Sussex and is over 100 years old. There are over 1500 members and the site offers a wide range of water sports activities. The Riverside Conservation Area also includes several residential dwellings, pub and the former town hall now used for offices.

2.8.11 The Port Masterplan describes this location as lacking design quality and integrity with spatial constraints causing car parking to be marginalised and squeezed into any available space. It states that *'the ambient character of the marina, however, is positive but*

*largely latent*'. The Masterplan identifies the Southwick Waterfront area as having significant potential for enhancement to improve the leisure offer within the Port.

- 2.8.12 There is a flat area of green space to the east of the Marina, accessed on foot via a narrow path or steps down the steep retaining bank from the A259. This is commonly used for dog walking and angling however suffers from littering. The Port Masterplan identifies this area as having potential for improvements including a canal-side walkway, a new service road, car park, dry boat store and new base for local youth groups. This location could act as a buffer between the more industrialised North Quayside area and a new public-interfacing, revitalised marina.

#### **Policy JAAP 8: Southwick Waterfront (SS3)**

The Partnership will work with developers and stakeholders to deliver the incremental redevelopment of Lady Bee Marina in line with a future development brief to be prepared by the Port Authority. Key elements are likely to include:

- Delivery of approximately 4000 sqm employment floorspace
- Improved marina facilities, expanded berthing capacity and waterside leisure provision,

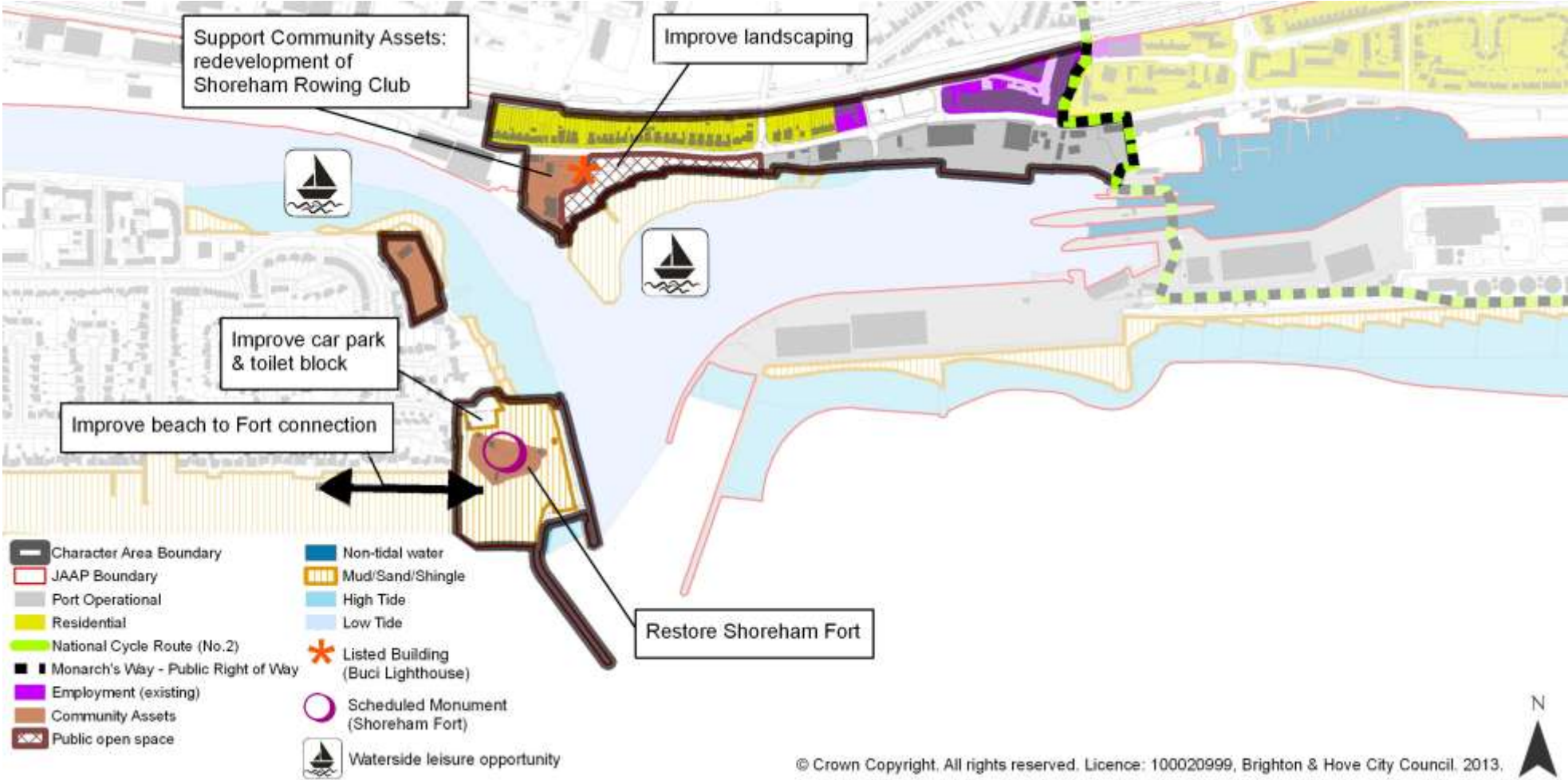
- including a new slipway, utilising canal edge water space to the east
- Small business units suitable for marine-related industries
- New vehicular access, with limited canal infill where required, to create space for an access road and waterside footway / cycle path
- New car parking facilities
- Waterside public realm and pedestrian / cycle link from the public right of way to the west to the expanded marina site to the east and beyond
- Complimentary waterside facilities and attractions, such as specialist fish restaurant, expanded chandlery, café/bar and public conveniences.
- Possible location for the Sea Cadets and Nautical Training Corps
- Improved alignment of Nautilus House access road serving the local industrial / workshop units and the dry dock.

**Policy JAAP 9: Fishersgate**

The Partnership will support Action Eastbrook Partnership and local service providers to deliver improvements and harness benefits arising for harbour-side communities. Emerging priorities include:

- Public realm / street scene improvements
- Enhancing Fishersgate Recreation ground
- Supporting and enhancing local community facilities
- Improvements to the linkages between Fishersgate and surrounding centres, for example to the new waterside footway / cycle path and through improved signage and pedestrian / cycle crossing points

Figure 2.11 Harbour Mouth Inset Map



## 2.9 CHARACTER AREA 6. HARBOUR MOUTH

### AREA PRIORITIES:

- To support the comprehensive restoration of Shoreham Fort.
- To enhance connections between Shoreham town centre, Shoreham Beach and Shoreham Fort through environmental and landscaping improvements.
- To support the redevelopment of Shoreham Rowing Club and enhance the public realm environment of Kingston Beach.

*Source: Policy 8 Revised Draft Adur Local Plan*

### CURRENT CHARACTER

- 2.9.1 On the western edge of the Harbour mouth is the remains of Shoreham Fort, a Scheduled Monument. The Fort was completed in 1857 and is one of the celebrated south coastal defences built under the Victorian Prime Minister Lord Palmerston. It is of local historical importance and has been a vital part of the South Coast Defence System. A local charity, the Friends of Shoreham Fort supported by English Heritage and the Shoreham Port Authority, are in the

process of restoring the fort to its original form. The fort is a popular local destination for walkers affording scenic panoramic views. It is well frequented by anglers and home to the National Coastwatch Institute look-out tower.

- 2.9.2 In recent years there have been various plans considered for the fort which have highlighted local interest for a facility that could be used for educational purposes. There have been recent discussions about improving and extending the public toilet block. There is significant scope to improve the public car park (owned by ADC), to increase the number of spaces and provide disabled parking bays. The fort would benefit from an overall public realm upgrade including better signage, benches, disabled access and potentially a café/visitor centre facility.

- 2.9.3 To the west of the fort is the settlement of Shoreham Beach, a distinct residential community almost entirely surrounded by water connected to the town centre by Norfolk Bridge and the newly built Adur Ferry Bridge. The beach area has a fascinating history, originally empty scrub created by a shingle bank that developed over centuries through longshore drift. Around the turn of the twentieth century, converted railway carriages became summer homes for Brighton's music hall artistes, leading to the area being known as 'Bungalow Town'. Due to its quality of light, Shoreham Beach became home to the early Brighton silent film industry.

- 2.9.4 Despite the beach area mostly being flattened during the Second World War it now supports a strong local community, small retail parade, pub, church and primary school. Many of the homes are low-rise bungalows of varying architectural styles on wide, quiet streets with easy access to the adjacent beach, complete with new boardwalk. The beach itself is designated as a Local Nature Reserve (LNR) and Site of Nature Conservation Importance (SNCI) due to its rare vegetated shingle.
- 2.9.5 Fronting the harbour on the north-side of Shoreham Beach is Sussex Wharf and Emerald Quay, built in the 1990s, replacing the former watercraft boatyard. These housing developments have a marine identity with a small marina, private members club and a (privately maintained) public slipway. The housing is high density; comprising flats and terraced housing up to 6 storeys high.
- 2.9.6 Directly opposite the Harbour mouth is Kingston Beach, designated with Village Green status to safeguard it as a public space. The beach is home to Shoreham Rowing Club as well as the new RNLI lifeboat building, a maritime themed, low carbon building of significant architectural merit that offers free tours.
- 2.9.7 Kingston Beach is also home to the Grade II listed Buci Lighthouse, a distinctive local landmark. There is a wealth of local history that could be better interpreted in this location through imaginative signage. There is significant potential to improve the landscaping and street furniture to make it more accessible and appealing as a local amenity area.
- 2.9.8 Directly opposite Kingston Beach is a row of terraced housing (including several ADC-owned properties). An important consideration for any development in this area will be the impact on these properties.
- 2.9.9 To the east of these properties on the south-side of the A259 is a port operational area, whilst on the north-side of the A259 are a range of light industrial and employment uses.
- DEVELOPMENT OPPORTUNITIES**
- 2.9.10 The existing port operational area is proposed to be retained for port uses. There are significant opportunities to improve the amenity value of Shoreham Fort and Kingston Beach for the benefit of local residents and as attractions for visitors.

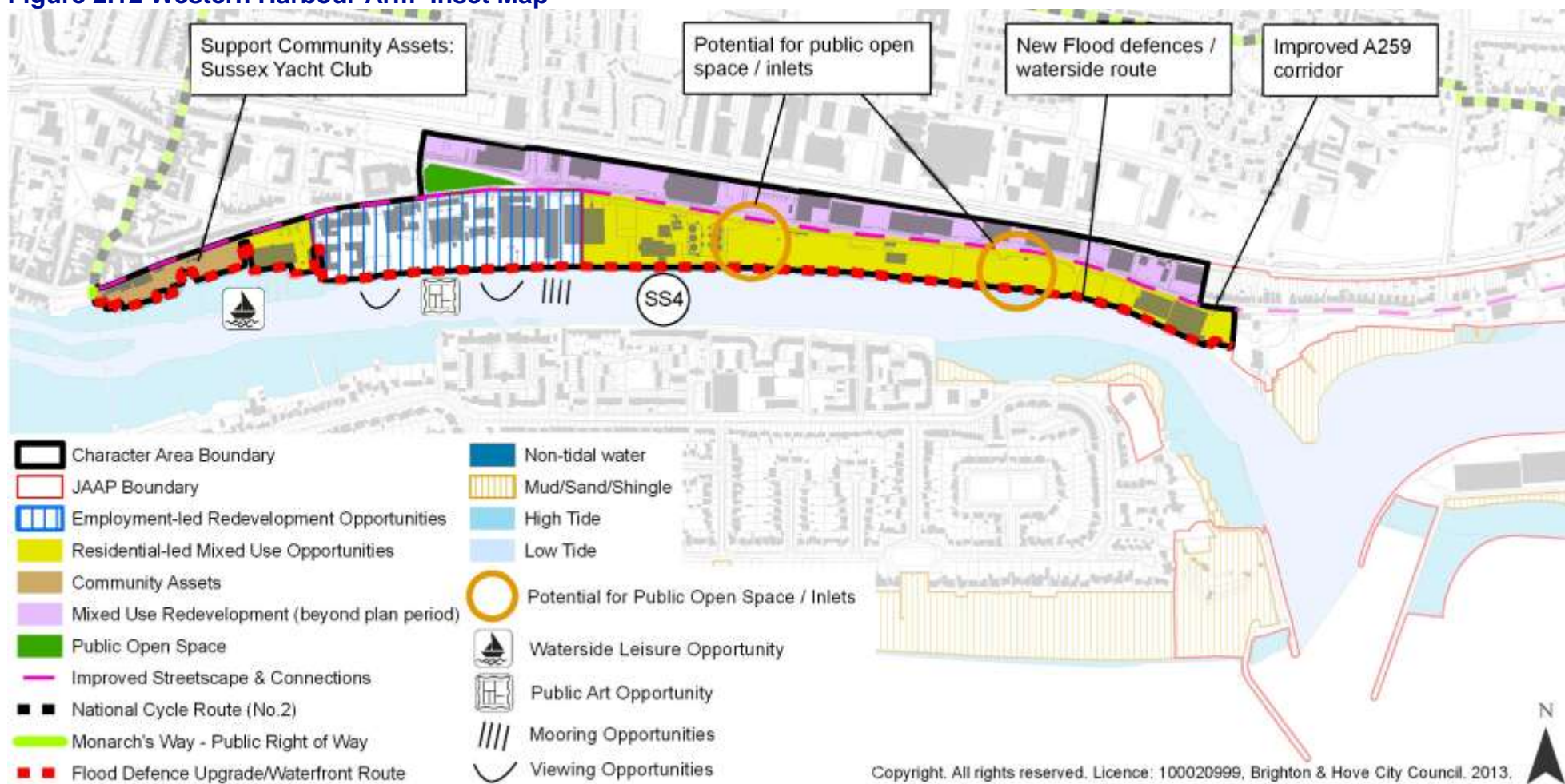
**Policy JAAP 10: Harbour Mouth**

- i. The existing port operational areas will be safeguarded for future commercial port activity.
- ii. The Partnership will work with the community and stakeholders to support the comprehensive restoration of Shoreham Fort including:
  - Restoration and replacement of original barrack block
  - Improve car park configuration and delineation of bays including disabled parking
  - Explore potential to improve public toilet block
  - Improve sense of arrival and entrance on to site, ensuring disabled access
  - Upgrade of street furniture such as benches, signage, bins and lighting
  - Improved way-finding connections to new footbridge
- iii. The Partnership will work with the community and stakeholders to improve Kingston Beach including:
  - Redevelopment of Shoreham Rowing Club
  - Upgrade of public open space areas in accordance with the Shoreham Harbour Street scene Guidance

- Improve delineation/formalisation of parking area



**Figure 2.12 Western Harbour Arm Inset Map**





## 2.10 CHARACTER AREA 7. WESTERN HARBOUR ARM

### AREA PRIORITIES:

- To facilitate the comprehensive redevelopment of Strategic Site Allocation 4 (SS4) – Western Harbour Arm to become an exemplar sustainable, mixed-use residential area.
- To secure improvements to legibility, permeability and connectivity through high quality building design, townscape and public realm, ensuring to respect and complement the character of surrounding areas.
- To improve access arrangements to create better linkages with Shoreham town centre and surrounding areas.
- To enhance the area's natural biodiversity by incorporating multi-functional green space.
- To facilitate the strategic relocation of industrial uses to elsewhere in the Port or local area to free up waterfront opportunity sites.

- To deliver a comprehensive flood defence solution integrated with a publicly accessible riverside route including pedestrian / cycle way and facilities for boat users.

Source: Policy 8 Revised Draft Adur Local Plan

### CURRENT CHARACTER

- 2.10.1 The Western Harbour Arm is formed by the mouth of the River Adur and is the gateway to the historic core of Shoreham-by-Sea. Highly constrained by Brighton Road (A259) and the railway, the Western Harbour Arm is the principal approach corridor to Shoreham-by-Sea from the east. To the north of the railway line, the area is abutted by residential neighbourhoods and a large industrial estate.
- 2.10.2 Shoreham-by-Sea town centre, a few minutes' walk to the west has a peaceful, coastal charm consisting of predominantly two storey terraced cottages on streets leading off from the primary shopping area. There are open views across the River Adur to the south as well as river glimpses between buildings where remnant slipways remain. There is a marked contrast moving east out of the town and along the arm where there are only limited views of the waterfront and public access to it.

- 2.10.3 Directly opposite the Western Arm on Shoreham Beach, land has recently been redeveloped from industrial to residential (Emerald Quay and Sussex Wharf). The experience of living in these properties and visiting this area could be considerably improved through a high quality redevelopment of the opposite bank.
- 2.10.4 Along the arm there are a range of different employment uses. The waterfront sites are predominantly large industrial and open storage premises including fuel storage, plastics manufacturing, aggregates handling and metal recycling. The majority of the sites are privately owned with the exception of Kingston Railway Wharf, Kingston Wharf and part of Free Wharf which are owned and leased by the Port Authority.
- 2.10.5 Closer to Shoreham town centre there is a car show room and some office and workshop units such as the Riverside Business Centre, Ham Business Centre, the Sussex Yacht Club and 'The Ham', a popular children's skate park. On the north-side of the A259 are mainly 'big box' retail warehouses including B&Q, Dunelm Mill and Halfords and the local municipal waste facility.
- 2.10.6 A number of the premises along the arm are coming to the end of their useful life and are no longer ideally suited for modern business needs either requiring

significant investment on site or relocation to a better facility elsewhere. The river wall and flood defence infrastructure is in need of upgrade and repair and some of the land stands vacant and underused.

- 2.10.7 Since the Western Arm Development Brief was prepared, planning permission has recently been approved for a new Morrisons store including commercial space and 70 new homes on the Frosts / former Minelco site. The development includes new flood defences integrated with a riverside walkway / cycle way, a riverside cafe, a car park offering 3 hours of free parking, links to the town centre, contributions towards a new public slipway and transport improvements in the town centre.

## **MOVEMENT AND CONNECTIONS**

- 2.10.8 The A259 road frontage is particularly harsh and unattractive due to the wall of industrial uses that prevent views across the water. The road is a very popular route with cyclists despite the lack of a formal cycle lane, poor surfacing and heavy use by HGVs.
- 2.10.9 There are a number of historic slipways and hards along the arm in varying states of repair. These slipways are owned and managed by WSCC as the highway authority up to the high water mark; by the relevant site owner between high and low water mark and by the port authority below that. Some of the

slipways are now only used by light recreational craft yet contribute to the historic character of the town. All of the slipways are now unusable for modern craft and lack sufficient parking and turning space. Opportunities are being explored to improve the way Shoreham's public slipways are maintained by the authorities and alternative locations are being identified.

## ENVIRONMENTAL CONSTRAINTS

2.10.10 The Western Harbour Arm is subject to a number of environmental constraints which need to be taken in to account when planning for the area. These include:

- Proximity to a nationally designated Site of Special Scientific Interest (SSSI) stretching into the Adur Estuary.
- A locally designated nature reserve (LNR) and Site of Nature Conservation Importance (SNCI) at Shoreham Beach.
- An Air Quality Management Area (AQMA) that covers the western part of the Western Harbour Arm. There are also AQMAs to the north, elsewhere in Adur, and in Brighton & Hove.
- Two wharves currently safeguarded under the WSCC Minerals Local Plan for mineral use.
- Two waste management sites.
- A Health and Safety Executive (HSE) Zone which determines boundary zones for different types of

development at a distance from a 'major hazard' based on the current gas storage use.

- The presence of contaminated land.

2.10.11 The area is crossed by several underground water mains and sewers (the latter conveying wastewater to the nearby treatment works). This infrastructure needs to be protected and new development needs to ensure its operation remains unaffected.

## HISTORIC ASSETS

2.10.12 The Western Arm benefits from a number of historic assets and falls partly within the Shoreham-by-Sea Conservation Area described as '*riverfront which is characterised by clustered development around a riverside setting, yacht club and boats on the river*'<sup>2</sup>. The wider town centre Conservation Area includes 47 listed buildings; including the Grade I listed St Mary de Haura Church. The church is clearly visible from Shoreham Beach, the South Downs and much of the wider area and it will be important for any new development at the harbour to respect views of the church. Also visible from the Western Arm is the Kingston Buci Lighthouse (Grade II listed) and Shoreham Fort, a Scheduled Monument.

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<sup>2</sup> Shoreham-by-Sea Conservation Area Character Appraisal & Management Strategy (ADC: 2008)

- 2.10.13 There is a wealth of local maritime history that could be better interpreted in this location and there is significant potential to improve the landscaping and street furniture to make the area more attractive and accessible.

### **FLOOD RISK MANAGEMENT**

- 2.10.14 The Western Harbour Arm is comprised of the lower reaches of the River Adur where it discharges into the Channel. Given this low lying estuary location, there are a number of potential sources of flooding which will be a key consideration in planning for the future of this area.
- 2.10.15 Sites along the Western Arm are vulnerable to surface water, fluvial, and most significantly tidal flooding meaning that any new residential development would need to be lifted up above likely flood levels and safe access and egress provided.
- 2.10.16 The Adur and Worthing Councils' *Strategic Flood Risk Assessment* (SFRA) identifies a number of sites in this area as Tidal Flood Zone 2, 3a and Non-functional Flood Zone 3b. This latter category recognises that some sites have the same risk of flooding as Flood Zone 3b but do not have a significant storage or

conveyance potential which materially impacts flood risk elsewhere. Some sites also fall within Fluvial Flood Zones 2, 3a and 3b.

- 2.10.17 The Partnership is working closely with the Environment Agency to develop a comprehensive vision for an upgraded flood defence network to protect a redeveloped Western Arm. Comprehensive land raising and/or flood defence wall (or a combination of both) to current standards will be essential to protect existing and future residents and businesses as well as the A259. This approach will ensure the complete closure of the flood cell and continuation of the line of new defences currently being provided via the Adur Tidal Walls Scheme - an Environment Agency funded flood defence scheme which ends at the Adur Ferry Bridge.
- 2.10.18 It is essential that the new flood defence network is integrated with a high quality public realm environment that promotes a positive inter-relationship with the river. Flood defences can often physically divide one area from another therefore an important ambition for the Western Arm is to promote permeability through the entire site.

Figure 2.13 Sketch Illustrations of Western Harbour Arm



Source: Western Harbour Arm Development Brief (2013)



**Figure 2.14 Sketch illustrations - looking south towards Shoreham Beach and looking west along new waterfront**



Source: Western Harbour Arm Development Brief (2013)

Figure 2.15 Illustrative Concept Plan



Source: Western Harbour Arm Development Brief (2013)

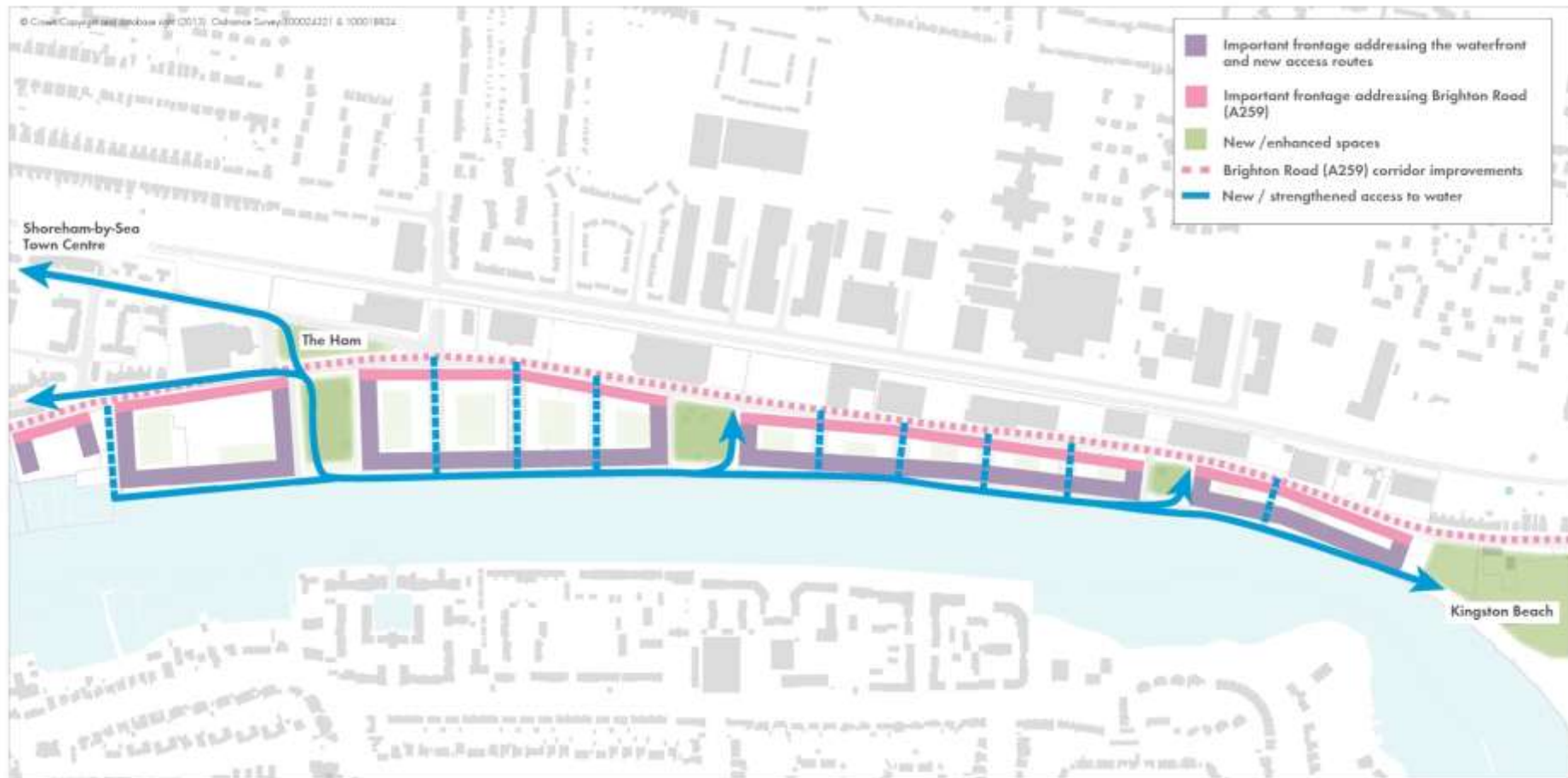
**Figure 2.16 Illustrative Development Form**



Source: Western Harbour Arm Development Brief (2013)



Figure 2.17 Place Making and Connections



Source: Western Harbour Arm Development Brief (2013)

## DEVELOPMENT OPPORTUNITIES

- 2.10.19 Many of the occupiers currently situated on the waterfront do not specifically need a port-side location and are not dependent on the services of the Port Authority or access to the harbour for their operations. Despite the fact that many of the sites are non-port related, the Port Authority remain responsible for ensuring the canal remains navigable and is periodically dredged to a level suitable for commercial use. There is now only one active berth occupied by Kendall Brothers. At Fisherman's Wharf there is a fishing quay with La Poisonnerie fresh fish outlet owned by Monteuem Ltd.
- 2.10.20 Underpinned by the Port Masterplan, it is proposed that existing port-related uses in the Western Arm are re-sited within the heart of the commercial port area such as at South Quayside/ North Quayside which may better suit their needs in the longer term. Marine-related uses that contribute to the character of the harbour could potentially remain such as Fisherman's Wharf. There is currently development pressure for change along this strip as land owners seek to maximise the value of their land recognising that the location has long been earmarked for redevelopment as a new waterside community. The first phases of development in this area are likely to be at the western and eastern ends.

- 2.10.21 The Port Masterplan states that:

"To maximise the development opportunities of both these areas there could be merit in the relocation of non-port uses some of which are currently on SPA land (leasehold). The land at the eastern end could provide a site of 2.4 hectares (SPA own 1.6 hectares) if the land is assembled together. The site could be an attractive residential waterfront site adjacent to the new RNLI station and Kingston Beach to the east. "

- 2.10.22 The existing businesses provide a significant amount of employment floorspace and jobs. A key consideration for this area is the importance of working with the harbour businesses to retain them either in the Port itself or within the local area in suitable, modern accommodation.

- 2.10.23 In order to support the delivery of this Strategic Site (SS4), a Development Brief has been adopted by ADC. The key proposals include:

### Residential Uses

- 2.10.24 The Western Arm is a valuable waterfront site and has potential for a vibrant mix of new uses. New residential development will be instrumental in delivering its sustainable transformation, enabling the creation of an attractive new setting and creating a greater sense of vibrancy along the waterfront.

- 2.10.25 Sites to the north of Brighton Road (A259) also have the future potential for redevelopment for a mix of uses including a significant number of residential dwellings (a further 150-550 units), subject to future review. In the short term, given the proximity to the existing industrial uses on the south-side and the constrained location between the railway and the A259, it is unlikely that these sites will be able to come forward (for residential uses) until the process of change is sufficiently underway on the south-side of the A259. However, the status and use of these sites will be kept under review, as opportunities may arise within the plan period for a comprehensive approach taking in both sides of the road.

### **Employment Uses**

- 2.10.26 ADC will promote the inclusion of new employment floorspace as part of residential-led mixed use schemes. Proposals will be encouraged to provide a range of commercial spaces in smaller format units. As illustrated on Figure 2.16, these could be designed as standalone commercial “pavilions” which could accommodate a range of functions including shops, food and drink, leisure and office space. Smaller scale (preferably marine-related) leisure facilities might also be appropriate. These activities will play a major role in adding diversity and interest to the waterfront, and helping to generate footfall. This space should be of

modern, high quality design with an emphasis on providing studio style or office-based flexible workspace that could accommodate a comparatively higher number of jobs per unit of floorspace than the former industrial uses.

- 2.10.27 The Partnership is proactively building upon existing local economic strengths and growth sectors and seeking external funding to promote the wider Shoreham Harbour area as a hub for environmental technology and digital media technology-related businesses. Major development proposals are encouraged to incorporate floorspace designed to be suitable for such uses where appropriate.
- 2.10.28 The Partnership will continue to have an open dialogue with landowners and businesses to understand their ambitions and ensure that the process of land use change is managed sensitively. For example, it is understood that some operators are already considering alternative sites outside of the Western Harbour Arm for relocation purposes. However, other businesses have no immediate desire to relocate, and as such may not come forward for redevelopment until the latter part of the plan period. The JAAP seeks to maintain sufficient flexibility to enable a phased redevelopment approach which enables certain sites to remain in their existing use in the medium-term.

- 2.10.29 The release of sites for redevelopment to alternative uses along the Western Arm is a long term process which requires careful management and will rely on working in collaboration with landowners and businesses. There is a strong commitment from the Partnership to ensure any release of sites is backed up by an employment strategy which minimises impact on business operations and retains local firms and jobs in the area.

#### **Opportunities for new leisure, visitor and ancillary retail uses**

- 2.10.30 Shops, cafes and restaurants that are ancillary to new mixed-use developments have an important role to play in realising the vision for regeneration of the Western Harbour Arm. Although residential uses will be the primary land use, ancillary retail development will help to bring life to the waterfront and strengthen the overall offer of Shoreham-by-Sea complementing the town centre.
- 2.10.31 There may be scope to increase the number of berths in the harbour for both visitors and new residents through the incorporation of a new quay or floating docks/pontoons which will substantially improve the facilities on offer for the boating community and attract visitors in to the area.

#### **Delivery of a new waterfront route with cycle way**

- 2.10.32 Development of a new, publicly accessible waterfront route was explored through the Development Brief. A new route would help to create a waterfront street environment, a legible connection linking the town centre to Kingston Beach framed by an attractive harbour setting. The route could potentially extend along the central part of the Western Harbour Arm intending to have a more intimate scale and character than the A259 which would be retained as the primary vehicular route through the Western Harbour Arm.
- 2.10.33 The street could operate as a 20 miles per hour one way route with an emphasis on visitor traffic and site access. In addition to some limited on-street parking, the route could potentially accommodate a bus route and be designed to maximise ease of access for pedestrians and cyclists. Although it is not appropriate to extend the route the entire length of Western Harbour Arm due to narrow plot depth at the eastern end, the likely setback requirement of 8m from the waterfront for flood management purposes makes the provision of a new route more deliverable. Subject to more detailed modelling and design, a total section of 12.25m from building to harbour wall would be sufficient to deliver the new route. This concept will be further explored through consultation as the JAAP emerges. Improved connections and streetscape along Brighton Road (A259) corridor

### Improved connections and streetscape

- 2.10.34 As shown in Figure 2.17, a series of new north-south connections from the waterfront route to Brighton Road (A259) are proposed. The exact form and function of these will depend on a number of factors. In some cases, these links may be pedestrian or cyclist only, whilst others will enable site access or direct connections to the waterfront. Streets adjacent to the proposed public open spaces would be well-suited as one or two-way connections from Brighton Road (A259) to the waterfront and vice versa.
- 2.10.35 The incremental introduction of a residential-led mix of uses to the south of the road will be a trigger for the gradual enhancement of the A259 corridor to ensure that conditions for pedestrians and cyclists are improved. There is considerable scope for highways interventions such as public realm and streetscape improvements and improved crossing facilities.

### New public open spaces and landscaping

- 2.10.36 The brief proposes areas of new open space which will help to increase the accessibility and visibility of the waterfront, attract visitors to spend time in the area, provide new space for community activities and enhance the local environment. These spaces could be adapted to provide river inlets to support additional

moorings to provide visual interest and increase access to the waterfront.

### Development form and typology

- 2.10.37 It is important to avoid a scenario in which a single development form is delivered repetitively across the whole site. As illustrated on Figure 2.16, buildings should be oriented to maximise views of the water. However, the exact form is partly dependent on the depth of the plot and the mix of uses. The Development Brief identified the following potential typologies:
- **Former Parcellforce site** – creation of frontage to Brighton Road (A259) and fingers of development maximising views across the River Adur.
  - **Open urban blocks** – a number of sites are proposed to be arranged as a horseshoe of flatted development with frontage on Brighton Road (A259) and views across the River Adur to the rear. Although pavilion buildings are proposed along the southern edge of these blocks, these will be of a lower scale (2 storeys), thus maximising views from within the block, and creating an active frontage along parts of the waterfront. Private amenity space is provided as a courtyard within the block.

- **Apartments and terraces arranged as urban blocks** – an alternative approach is the arrangement of some north-south blocks as terraced housing, providing variety and much-needed family housing in an attractive location. This typology again accommodates pavilion retail buildings along the waterfront street. Private amenity space is provided within the block.
- **Apartment buildings** – the more narrow parts of the site are less appropriate for a partially closed urban block. In these locations, the blocks are arranged in pairs along a north-south orientation to maximise views to the harbour. Private amenity space is provided between the blocks.
- **Mixed employment sites** - Mixed employment site should be designed in an urban format with parking at lower levels and trading areas above. The design of the site to the south is particularly important in this respect, as it will complete the urban block around the mixed employment site. As such the mixed employment site will have a pedestrian entrance and strong frontage on Brighton Road (A259). However, the waterfront will have a more typical character, arranged as a residential frontage, possibly with ancillary retail facilities at ground floor.
- **The final building** - at the eastern end of the Western Harbour Arm is proposed as a more

expressive form. This building has the dual function of forming a strong edge to Kingston Beach, helping to define the space, and also to form an edge to the Western Harbour Arm. One approach would be to design the western flank of the building on alignment with the view out to sea along the line of the traditional shipping entrance to the harbour. A key consideration at the eastern end of the Western Harbour Arm is the potential navigational impact of residential development. Discussions will be required with Shoreham Port Authority at an early point in the design process to ensure lines of sight for shipping are maintained.

2.10.38 In general, buildings should be developed to 4 or 5 storeys (apartments) with lower scale of terraced / townhouse accommodation (2.5 storeys) and retail pavilions (2 storeys). Schemes offering a variation of height and scale are encouraged. If buildings are consistently taller than 4 storeys, the overall vision and appeal of the Western Harbour Arm could be diluted. Excessive height could also create issues of traffic congestion, infrastructure provision and microclimatic impact. The waterfront route and the street environment of the A259 will only be successful if an intimate scale of development is established.



**Policy JAAP 11: Western Harbour Arm (SS4)**

- i. The Partnership will work with developers and other relevant stakeholders to deliver a comprehensive approach to the development of Western Harbour Arm. The area will be developed in accordance with the principles, established in the Western Arm Development Brief.
- ii. Approximately 1050 new homes will be delivered on the south-side of the A259 within the plan period (with up to a further 500 on the north-side in the longer term).
- iii. Approximately 10,500 sqm of new employment floorspace comprising predominantly B1 office space, retail outlets, food and drink. Smaller scale (preferably marine-related) leisure facilities are also encouraged.
- iv. New developments should incorporate active uses along the waterfront. This may include the provision of parks, squares, play areas and active frontages such as cafes, shops and workspace.
- v. Major waterfront development schemes will be expected to incorporate features that improve open access to the waterfront and facilities for boat users such as additional moorings, floating pontoons/docks and slipways.
- vi. High quality, multi-functional public open space will need to be provided where appropriate in accordance with Local/City Plan standards and guidance.
- vii. Development should respect and connect with surrounding areas, in particular enhancing the views from Shoreham Beach, protecting views of St Mary de Haura Church and better connecting with Shoreham town centre.
- viii. Development proposals for sites to the south of Brighton Road (A259) should not unduly prejudice the potential future development of sites to the north of Brighton Road (A259) and vice versa.
- ix. Where undefended land levels are below the 1 in 200 year tidal flood event for 2115, land raising and/or a flood defence wall should be provided.
- x. In accordance with the emerging Flood Risk Technical Guide development should be designed to be safe for the 1 in 200 year tidal flood level to 2115 for residential and to 2082 for commercial development. Proposals should protect against a breach scenario through the application of an appropriate finished floor level

assumed to be 5.77m above Ordnance Datum (AOD) for residential development and 4.94m above AOD for commercial proposals.

#### **Policy JAAP 12: Western Harbour Arm (SS4) - Transport**

In accordance with the Shoreham Harbour Transport Strategy, new development will be required to contribute towards local transport improvements including:

- Creation of a new high-quality cycle and pedestrian route along the waterfront that also enables future maintenance to Western Harbour Arm flood defences. Innovative design approaches will be encouraged.
- An appropriate programme of traffic calming measures to be applied across the Western Harbour Arm and in adjacent areas including a package of junction improvements to improve capacity and balance priorities for road users.
- Implementing an area-wide behaviour change programme to reduce the dominance of the private car and maximise opportunities to encourage sustainable modes of transport.
- Measures to maintain and improve the reliability and quality of existing bus services along key routes.



### **3 HARBOUR-WIDE POLICIES**



### 3 HARBOUR-WIDE POLICIES

#### 3.1 INTRODUCTION

- 3.1.1 The following section summarises the planning policies that will be applied across the harbour area grouped by Strategic Objective. Note that there are many other planning policies that apply to new developments that are contained within the Local / City Plans, those of most importance to the harbour have been outlined below.

#### 3.2 SUSTAINABLE DEVELOPMENT

##### STRATEGIC OBJECTIVE 1: To promote sustainable development

To ensure all new developments use energy and water as efficiently as possible, use energy from renewable technologies, use sustainable materials, reduce waste, incorporate innovative approaches to open space and biodiversity, encourage uptake of low carbon modes of transport and support sustainable lifestyles in existing and new areas. The Port will be supported in becoming an important hub for renewable energy generation.

- 3.2.1 The presumption in favour of sustainable development is a core principle of the NPPF. In conjunction with the policies in each Local/City Plan, the JAAP sets out minimum performance standards for new development proposals. Utilising renewable energy, promoting high levels of water and energy efficiency as well as minimising waste will be critical to the harbour's contribution to sustainable living.
- 3.2.2 The Partnership was awarded funding under the second wave of the government's Eco-Towns programme in 2009. A *Capacity and Viability Study* (2010) explored the potential to meet the Eco-Towns criteria and concluded that it was not possible to promote all of the requirements in the harbour context given the constraints. Where appropriate the eco-towns criteria have been incorporated within the JAAP.
- 3.2.3 The *Capacity Study*, the *Shoreham Harbour and Adur District Energy Strategy* (2009) as well as the *BHCC Renewable and Sustainable Energy Study* (2012) recommended a number of harbour-wide opportunities including:
- Reducing the need to travel particularly through encouraging working / living in close proximity,



supporting home working and delivering sustainable transport solutions.

- Supporting a sensible amount of on-site and linked off-site open space / green infrastructure as well as including Sustainable Urban Drainage Systems (SUDs) within new developments.
- Delivery of a district heating network due to the density of new development proposed and its mixed use nature. If larger parcels of land (such as on the Western Arm) came forward as a coordinated development, this may present opportunities for district heating such as a Combined Heat and Power (CHP) system. CHP linked to the existing and/or future power facility would be an ideal solution to achieve carbon reductions and energy efficiencies. There would however be significant costs associated with the installation of such systems, but these costs may be reduced through the involvement of an independent delivery body or Energy Service Company (ESCo).
- Large wind turbines on the Port are an effective way of increasing renewable energy generation and reducing carbon emissions, subject to impact assessment via the planning application process.

- Exploring potential for retrofitting of existing properties to make them more energy efficient.
- Low carbon technologies and Renewable Energy schemes may need to be supported by external grant funding to ensure viability and deliver progressive change.

### Sustainable Design and Energy

- 3.2.4 The Shoreham Harbour Interim Planning Guidance (IPG), Western Harbour Arm Development Brief and Draft Adur Local Plan include the requirement for a Sustainability Statement to accompany development proposals within the parts of the regeneration area in Adur. Guidance is set out within *Sustainability Statements Guidance Note: Shoreham Harbour*.
- 3.2.5 BHCC's *Sustainable Building Design Supplementary Planning Document*<sup>3</sup> requires a completed Sustainability Checklist to accompany all proposals for residential new build and conversions. Guidance is available on the BHCC website<sup>4</sup>.

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<sup>3</sup> SPD08: *Sustainable Building Design* (Brighton & Hove City Council: 2008)

<sup>4</sup> <http://www.brighton-hove.gov.uk/content/environment/xxx/sustainability-checklist>

- 3.2.6 BREEAM and CSH are widely recognised methods for assessing the environmental performance of non-residential and residential buildings, respectively. Successors to BREEAM and CSH and/or equivalent standards<sup>5</sup> by nationally recognised certification bodies may also be accepted.

#### Policy JAAP 13: Sustainable Design and Energy

- i. A Sustainability Statement will be required as part of all major development<sup>6</sup> proposals in areas of the harbour within Adur.
- ii. A completed Sustainability Checklist will be required as part of all development proposals within areas of the harbour within Brighton & Hove.
- iii. All new development will be expected to aspire to achieving zero-carbon status, in particular within the Strategic Site areas. This will include the use

<sup>5</sup> Such as Passivhaus or AECB standards.

<sup>6</sup> \*Major development is defined as 10 or more dwelling houses, or sites of 0.5 hectares or more where it is not known if the development will have 10 or more dwelling houses; the provision of a building or buildings where the floorspace to be created is 1,000 sqm floorspace or more, or development on sites of 1 hectare or more. *Source: Town & Country Planning (Development Management Procedure) (England) Order 2010*

of passive design measures. Proposals must demonstrate good thermal performance and air tightness to prevent heat loss. Low and zero-carbon energy technologies<sup>8</sup> and networks should be incorporated.

- iv. Within the Strategic Site areas, opportunities should be sought to provide linked district heating networks. This process will be supported by the Council/s.
- v. Where a CHP system is delivered on-site, all buildings are required to connect. These may be provided as self-contained systems on site, or link into a wider network incorporating other parts of the JAAP area and beyond.
- vi. Where appropriate smaller sites within the JAAP area should integrate into new or existing networks, or provide self-contained on-site energy generation.
- vii. Developers are encouraged to demonstrate how they can contribute towards Shoreham Port Authority's objective of becoming a hub for

<sup>8</sup> Zero carbon technologies harness non fossil fuel energy, such as wind, sun and water, to create heat and generate electricity. Low carbon technologies use grid electricity and mains gas to generate heat or power more efficiently or use fuels that have small CO<sub>2</sub> footprint, such as biofuel.

renewable energy generation.

- viii. Developers will be expected to provide certification evidence of the CSH and BREEAM ratings at the design stage and post construction.
- ix. All development will be expected to achieve the appropriate local standards as a minimum. A detailed justification must be provided for any aspect of the proposed development which does not meet national and local policy requirements.

**Refer to:**

Revised Draft Adur Local Plan (2013):

- Policy 17: The Energy Hierarchy
- Policy 18: Sustainable Design
- Policy 19: Decentralised and Stand-alone Energy Systems

BHCC City Plan (Part One) (2013):

- Policy CP8: Sustainable Buildings

- 3.2.7 Building related energy consumption is a significant contributor to greenhouse gas emissions. The hierarchy of demand reduction, efficient energy supply and renewable energy provision represents the most cost-effective means of reducing energy consumption and greenhouse gas emissions for new developments.

- 3.2.8 Passive design makes the best use of site orientation, building form, layout, landscaping and materials to maximise natural light and heat, whilst avoiding overheating by providing passive cooling and ventilation.

- 3.2.9 Low and zero-carbon technologies include, but are not limited to the following:

- Solar hot water
- Air source heat pumps
- Ground source heat pump
- Biomass or biodiesel boiler, including woodchip, wood pellet or biodiesel
- Biodiesel CHP
- Biomass CHP
- Efficient gas boiler
- Gas Micro CHP
- Solar photovoltaic panels
- Wind turbines

**Water**

- 3.2.10 Shoreham Harbour is supplied with water from the Brighton Chalk Aquifer. This is an important and heavily exploited resource. The Environment Agency has classified the location as falling within an area of serious water stress, where demand for water is high and resource availability is low.

- 3.2.11 The Water Framework Directive<sup>9</sup> requires all bodies of water (including surface water, coastal waters and groundwater) to achieve “good” status by 2015 and the quality of all water resources needs to be protected. The overall groundwater quality of the Brighton Chalk Aquifer is currently classified as “poor” and the chemical status is classified as “good (deteriorating)”. The overall water quality of the Adur Estuary is classified as “moderate” and chemical quality is “good”.
- 3.2.12 The Environment Agency monitors the quality of bathing water at Southwick Beach. Since 2009 water at this location has achieved “higher” status. This means that bathing water meets the criteria for the stricter guideline standards of the revised Bathing Water Directive<sup>10</sup>.
- 3.2.13 New development at the harbour offers the opportunity to incorporate Sustainable Drainage Systems (SuDS). These can provide a range of sustainability benefits in addition to managing surface water, including enhancing biodiversity and reducing flood risk.

<sup>9</sup> Water Framework Directive (Directive 2000/60/EC) (European Parliament and Council: 2000)

<sup>10</sup> Revised Bathing Water Directive (Directive 2006/7/EC) (European Parliament and Council: 2000)

#### Policy JAAP 14: Sustainable Use of Water

- i. Within the Strategic Site areas, developments should seek to achieve water neutrality<sup>11</sup> to significantly reduce mains water demand within the JAAP area. This will include meeting high water efficiency standards and exploring potential to implement measures to recycle, harvest and conserve water resources.
- ii. Proposals will be expected to meet the standards and criteria relating to water efficiency as established in the locally required CSH or BREEAM standards.
- iii. Opportunities should be sought to link together development within the JAAP area with site-wide recycled water networks, taking advantage of the diversity of water sources and uses on-site. This process will be supported by the Council/s.
- iv. Where a recycled water network is delivered on-site, all buildings are required to connect
- v. Development proposals should ensure compliance with the Water Framework Directive

<sup>11</sup> Water neutrality is defined as meaning total water use after new development must be equal to or less than total water use in the area before the planned development.

(WFD), demonstrating no further ecological deterioration in associated water bodies. All schemes should also incorporate opportunities to deliver further WFD objectives.

- vi. Pollution prevention techniques will be incorporated to ensure only clean surface water is discharged into the River Adur.
- vii. All new development will also be expected to incorporate appropriate Sustainable Drainage Systems (SuDS)<sup>12</sup> and demonstrate how surface water run-off will be minimised.
- viii. Development should seek to provide ecological enhancements through the use of SuDS.
- ix. All development must consider implications upon the sewerage network and ensure that capacity is adequate. New development must connect to the sewerage system at the nearest point of adequate capacity. Where this is not the case, appropriate contributions will be required to upgrade the network.

<sup>12</sup> SuDS is an approach to drainage which seeks to decrease the amount of surface runoff, decrease the velocity of surface runoff, or divert it for other useful purposes, thereby reducing the contribution it makes to sewer discharge and flooding.

#### Refer to:

Revised Draft Adur Local Plan (2013):

- Policy 35: Water Quality and Protection

BHCC City Plan Part One (2013):

- Policy CP8: Sustainable Buildings

#### Air Quality

- 3.2.14 Road vehicles are the greatest contributing factor to poor air quality in Adur<sup>13</sup> and Brighton & Hove<sup>14</sup>, with vehicles emitting a variety of pollutants including carbon monoxide, nitrogen oxides, volatile organic compounds and particulate matters.
- 3.2.15 There are two Air Quality Management Areas (AQMAs) that lie partly within the regeneration area. Brighton AQMA includes Kingsway / Wellington Road (A259) Church Road ((B2193), Boundary Road / Station Road (B2194) and parts of South Portslade to the south of North Street. Air Quality Action Plans (AQAPs) will continue to play a key role in helping to manage issues of localised air pollution.

<sup>13</sup> *Air Quality Action Plan* (Adur District Council: 2007)

<sup>14</sup> *State of the Local Environment* (Brighton & Hove City Council: 2011)



- 3.2.16 Shoreham AQMA runs along Shoreham High Street (A259) from Norfolk Bridge to Surry Street. Nearby, there is also an AQMA in Southwick on the A270 between Kingston Lane and Southview Close.

#### Policy JAAP 15: Air Quality

- i. Air quality impacts should be considered at an early stage in the design process to avoid any significant adverse impacts on health, quality of life and the environment.
- ii. Development within or adjacent to an AQMA, or that is likely to have an impact on an AQMA, will be required to provide a contribution towards implementing AQAP objectives, such as sustainable transport improvements.
- iii. Developers should consult the Air Quality Officer at the appropriate council to determine whether an Air Quality Assessment and/or Emissions Mitigation Assessment are required.
- iv. Proposals will be required to take account of the cumulative effects on air quality of other planned developments.
- v. Proposals will be required to demonstrate that appropriate mitigation measures are introduced to ensure that new and existing residents are not

exposed to poor air quality associated with existing industrial uses and traffic pollutants in both the short and long-term.

#### Refer to:

Revised Draft Adur Local Plan (2013):

- Policy 28: Transport and Connectivity
- Policy 34: Pollution and Contamination

BHCC City Plan Part One (2013):

- Policy CP8: Sustainable Buildings

#### Noise

- 3.2.17 Noise can be a significant issue in built-up urban areas, and can act as both a disturbance and a threat to human health. DEFRA has undertaken a comprehensive noise mapping study, the results of which indicate that there are parts of the regeneration area where road traffic noise exceeds World Health Organisation guidelines.
- 3.2.18 The main generator of background noise in the JAAP area is road traffic. The A259, B2193 and B2194 have high levels of noise pollution related to traffic movements with noise levels decreasing with distance from these roads. Rail-related noise is also an issue in

some parts of the regeneration area with levels decreasing with distance from the railway line. Some of the industrial and port-related land uses in the regeneration area also generate high levels of noise.

#### Policy JAAP 16: Noise

- i. Noise impacts should be considered at an early stage in the design process to avoid any significant adverse impacts on health, quality of life and the environment.
- ii. Development proposals should adhere to the following basic principles of noise control - Noise sources should be separated from sensitive receptors. Then noise should be controlled at source. Finally, the sensitive receptor should be protected.
- iii. Proposals should make reference to the Noise Policy Statement for England (NPSE) and the Brighton Agglomeration Noise Action Plan. These provide an appropriate structure for the management and control of environmental neighbour and neighbourhood noise.
- iv. Particular consideration will be required in relation to environmental noise generated by transport and neighbourhood noise arising from adjacent

industrial, trade and business premises, construction sites, activities in the street and on-going port and marine-related activities.

#### Refer to:

Revised Draft Adur Local Plan (2013):

- Policy 28: Transport and Connectivity
- Policy 34: Pollution and Contamination

BHCC City Plan (Part One) (2013):

- Policy CP8: Sustainable Buildings

#### Contamination

- 3.2.19 The nature of current and historic industrial activities at Shoreham Harbour raises significant potential for contamination to be present, which could adversely impact site users, buildings and the environment, including surface and groundwater quality. Pollution to controlled waters may result in the failure of objectives set out under the Water Framework Directive (WFD).
- 3.2.20 Former land uses have included Portslade Gas Works, oil storage, and coal and timber yards. Current uses also include coal and timber yards, as well as a power station, aggregate sorting and storage sites, garages, oil and petrol storage areas, a waste water treatment

facility and other waste uses. Consequently, significant risks of pollutant linkages have been found in the area.<sup>15</sup>

### Policy JAAP 17: Contamination

- i. All development proposals must be supported by a risk assessment that adheres to the specifications outlined in CLR 11: 'Model Procedures for the Management of Land Contamination' (the industry best practice document).
- ii. Assessment of contamination should not be limited to site boundaries as contamination can migrate beyond the proposed site development through soil, water and air. Applications for development within a 10 metre radius of potentially contaminated sites will need to submit a risk assessment.
- iii. Risk assessments must be carried out by a suitably qualified, independent professional and submitted to the council for approval.

**Refer to:**

Adur Local Plan:

- Policy 34: Pollution and Contamination

### Waste and Recycling

- 3.2.21 It is important that the JAAP supports the shift towards sustainable management of waste and as such seeks to ensure waste is fully considered in all development during design, construction, post-construction and demolition phases.
- 3.2.22 Brighton & Hove City Council, East Sussex County Council and the South Downs National Park Authority, have adopted a Waste and Minerals Plan (2013) that will provide planning policies to guide the management of waste and production of minerals over the plan period to 2026.
- 3.2.23 West Sussex County Council and the South Downs National Park Authority have produced the West Sussex Waste Local Plan which is currently being examined by an independent inspector and is in the process of being modified. It is anticipated that the plan will be formally adopted in early 2014. The Waste Local Plan covers the period to 2031 and will outline the Authorities' land-use planning policy for waste.

<sup>15</sup> Shoreham Harbour Contaminated Land Study (WSP Environmental: 2009).

### **Policy JAAP 18: Waste and Recycling**

- i. All development proposals will be required to incorporate facilities that enable and encourage high rates of recycling and re-use of waste and materials.
- ii. All new development will be required to demonstrate that waste is minimised both during the construction phase and the lifetime of the building. Development proposals shall be accompanied by a Site Waste Management Plan.

#### **Refer to:**

Revised Draft Adur Local Plan (2013):

- Policy 18: Sustainable Design

West Sussex County Council and South Downs National Park Authority Waste Local Plan Submission (2013):

- Policy W2: Safeguarding Waste Management Sites and Infrastructure
- Policy W23: Waste Management within Development

East Sussex, South Downs and Brighton & Hove Waste and Minerals Local Plan (2013):

- Policy WMP 3a: Promoting Waste Prevention, Re-use and Waste Awareness

- Policy WMP 3d: Minimising and Managing Waste During Construction, Demolition and Excavation
- Policy WMP 3e: Waste Management in New Development

### 3.3 SHOREHAM PORT

#### STRATEGIC OBJECTIVE 2: To support a growing, thriving port

To facilitate the delivery of the adopted Port Masterplan and provision of a modernised and consolidated port to support and promote the important role of the port within the local and wider economy.

- 3.3.1 Shoreham Harbour contains the entirety of the working Trust Port of Shoreham. Since 1760 the Shoreham Port Authority has had responsibility for operating and managing Shoreham Port. The continued existence of a thriving and expanding commercial port is an integral part of the regeneration proposals.
- 3.3.2 The current level of use at Shoreham Port is 700-900 ship arrivals per year, which results in a trading throughput of approximately 1.8 million tonnes per year. The main commodities that are imported and exported at the port are aggregates, timber, scrap metal, cereals, oil and increasingly steel. The Port Masterplan aims to provide the capacity for a 25% increase in trade by 2026.
- 3.3.3 The port is a significant local employer providing around 1,700 jobs. Employers range from large

multinationals such as Cemex, national firms such as Travis Perkins through to a variety of small and medium sized firms including motorbike repairs and cheese suppliers. Delivery of the proposals identified in the Port Masterplan have the potential to create a further 500 local port-related jobs.

- 3.3.4 Land restrictions are a particular obstacle to growth within the port. It is therefore important to maximise the productivity of the existing port land. The JAAP aims to do this by focusing commercial port activity at the Eastern Arm and Canal, and by ensuring that vacant and underused sites are used to their full potential. Non-port related industries currently located at the Canal will be relocated, in order to expand the port's capacity. Similarly, current port activities at the Western Arm will be relocated, and the land will be used for other developments.

#### Port Masterplan

- 3.3.5 Shoreham Port Authority's strategy for growth is set out in the Port Masterplan (2010) and involves consolidating port-related uses within the eastern canal and South Quayside. The JAAP aims to promote the Port Masterplan's objective of enhancing the port's role in the local community, particularly in terms of jobs and trade growth. Key components include:

- The Port will be an integral part of the wider regeneration and local authority development plans for the area.
- The Masterplan will provide capacity for a 25% growth in trade (tonnes) by 2026.
- The Eastern Arm and Canal will become the focus for future commercial port activity with the use of vacant and underused sites maximised.
- Some non-port related uses in the Canal will be relocated to increase port capacity.
- There will be investment in new port facilities – new engineering base, terminals and warehousing.
- Vehicular access within the port will be improved particularly for commercial traffic.
- There will be a greater emphasis on processing of imported / exported material that adds value and jobs.
- Limited land reclamation may be appropriate in the Canal to create optimum sites for new port activity or other development.

- The Port is likely to become an important location for renewable energy generation.
- Major facilities in the Canal are likely to stay for the timespan of the Masterplan (i.e. the PowerStation, Waste Water Treatment Plant).
- Current port uses in the Western Arm will be relocated and land released for other developments.
- The number of marina berths will be expanded in line with demand.
- The Port working with local authorities will respond positively to its local community and make amenity and environmental enhancements.
- The Port will maintain its role as an important source of employment opportunities both direct and indirect.

### Eco-Port Status

- 3.3.6 The Port has an environmental policy and has 'Eco-Port status'<sup>16</sup> shared with other ports in Europe. The port uses a substantial amount of power which is needed for lighting towers on the terminals, the lock gates and water pumps which are used to keep the water at a constant level.
- 3.3.7 Opportunities are being explored to reduce the reliance on traditional forms of energy by producing energy locally from renewable sources instead. The port is currently embarking on its second solar power project working with the Brighton Energy Coop<sup>17</sup> and installation has begun of a large, community owned solar array on Shed 10 at Shoreham Port. The project is funded by community investors buying shares in the cooperative. There are also opportunities to harness wind power through investigating the potential for wind turbines in the South Quayside area.

### Land Reclamation and Infilling

- 3.3.8 Previous development proposals for the harbour have included the reclamation of land out to sea on the south side of South Quayside, however the costs of implementation were considered to be prohibitive in

the short to medium term. Whilst large scale land reclamation is not considered viable, it has been proposed on a limited scale within the canal, including at Britannia Wharf, as well as at Albion and Turberville Wharves, where it is hoped to increase the overall capacity and efficiency of the site.

### Health and Safety Executive Zones (HSE)

- 3.3.9 There are three Health and Safety Executive Consultation Zones within Shoreham Port which are situated at the following locations:
- Lennard's Wharf (Gas)
  - Texaco Wharf (Oil)
  - Building 8, South Quayside (Ammonium nitrates)
- 3.3.10 The Health and Safety Executive (HSE) has published advice entitled 'HSE's Land Use Planning Methodology' which advice for proposed developments close to Hazardous Installations.

### Permitted Development Rights

- 3.3.11 The Port Authority has permitted development rights for certain types of development within the harbour meaning that planning permission from the local planning authority is not required. These rights are set out within the Shoreham Harbour Acts and also reflected within the General Permitted Development Order (GPDO) 1995; Part 17, Development By

<sup>16</sup> For more information: <http://www.shoreham-port.co.uk/Environment>

<sup>17</sup>



Statutory Undertakers, Class B (Dock, Pier, Harbours, Water transport, canal or inland navigation undertakings) as set out below:

### **Port Permitted Development Rights**

#### **Class B Dock, pier, harbour, water transport, canal or inland navigation undertakings**

B. Development on operational land by statutory undertakers or their lessees in respect of dock, pier, harbour, water transport, or canal or inland navigation undertakings, required -

(a) for the purposes of shipping, or

(b) in connection with the embarking, disembarking, loading, discharging or transport of passengers, livestock or goods at a dock, pier or harbour, or with the movement of traffic by canal or inland navigation or by any railway forming part of the undertaking.

#### **Development not permitted**

B.1 Development is not permitted by Class B if it consists of or includes –

(a) the construction or erection of a hotel, or of a bridge or other building not required in connection with the handling of traffic,

(b) the construction or erection otherwise than wholly within the limits of a dock, pier or harbour of –

(i) an educational building, or

(ii) a car park, shop, restaurant, garage, petrol filling station or other building provided under transport legislation.

#### **Interpretation of Class B**

B.2 For the purposes of Class B, references to the construction or erection of any building or structure include references to the reconstruction or alteration of a building or structure where its design or external appearance would be materially affected, and the reference to operational land includes land designated by an order made under section 14 or 16 of the Harbours Act 1964(7) (orders for securing harbour efficiency etc., and orders conferring powers for improvement, construction etc. of harbours), and which has come into force, whether or not the order was subject to the provisions of the Statutory Orders (Special Procedure) Act 1945(8).

3.3.12 By their nature the port's operational activities are unsuitable to be in close proximity to housing due to noise, air quality, smell, visual impact and transport

circulation. As such, the siting of new residential developments requires careful consideration to demonstrate that proposals will not prejudice the current or future operational activities of the port and the ability to deliver infrastructure improvement plans as set out in the Port Masterplan.

- 3.3.13 The Partnership will continue to work with the Port Authority to promote the intensification and reconfiguration of underused and vacant sites. It will also work with the Port to facilitate the relocation of port-related uses from elsewhere within the harbour into the defined port operational areas.

#### **Policy JAAP 19: Shoreham Port Operations**

- i. New development proposals within the jurisdiction of Shoreham Port Authority will be assessed against the objectives of the Port Masterplan, which will be treated as a material consideration.
- ii. Parts of the harbour as identified within this Draft Plan will be safeguarded for port operational uses and will be the focus for commercial port activity. Non-port related activities will be resisted in those areas.

- iii. Acceptable uses will need to demonstrate the requirement for a port-side location or are ancillary to a use requiring a port-side location.
- iv. Sui generis uses appropriate to a port-side industrial location will also be acceptable provided they generate comparable levels of employment to B1-B2 classes.
- v. New development within the harbour area should not conflict with the day to day operations and workings of the port and port-related uses.
- vi. Proposals in the vicinity of Port operational areas should give careful consideration to health and safety implications in relation to access to the waterfront and to the security of moorings and storage areas. Security and safety implications should be considered at the outset and discussed with Shoreham Port Authority at an early opportunity.
- vii. Proposals for uses that support the Port's status as an 'Eco port' and hub for renewable energy generation will be encouraged.
- iii. Sustainable supply chain linkages with the proposed Rampion off-shore wind farm will be encouraged.

- ix. Proposals for the upgrade, intensification, and refurbishment of sites so they meet modern business standards and are more resource efficient will be supported.
- x. There should be no net loss of employment floorspace in port operational areas as a result of new development proposals unless exceptional circumstances apply.

### Minerals Wharfs

- 3.3.14 Minerals wharf capacity at Shoreham Harbour makes a significant contribution to meeting the needs for aggregate imports in to the sub-region. Most of the wharf capacity is contained within the port operational area, but there are two wharves within the Western Harbour Arm (Free Wharf and Kingston Wharf aka Railway Wharf East) that are currently safeguarded under Policy 40 of the West Sussex Minerals Local Plan (2003). The NPPF provides protection to mineral wharves, stating that local planning authorities should safeguard existing, planned and potential wharfage for bulk transport of minerals, secondary materials and marine- dredged aggregates (paragraph 143).
- 3.3.15 Policy WMP 15 of the East Sussex, South Downs and Brighton & Hove Waste and Minerals Local Plan (2013) safeguards existing, planned and potential

minerals wharf facilities and their consequential capacity for receiving and processing sea-borne imported aggregates at the port of Shoreham. The policy does allow for some redevelopment of wharves if overall capacity is maintained at the harbour. It is recognised that this capacity could be in the West Sussex portion of the harbour.

- 3.3.16 East Sussex County Council, the South Downs National Park Authority and Brighton & Hove City Council are currently undertaking a Local Aggregates Assessment which investigates the demand for and supply of aggregates in the minerals planning authorities' area. Early indications are that the use of marine-won aggregates in the area is greater than previously thought. The implication is that maintaining sufficient wharf capacity at Shoreham Harbour will be important in order to maintain the supply of aggregates.
- 3.3.17 West Sussex County Council and the South Downs National Park Authority are also currently undertaking a Local Aggregate Assessment. This recognises the importance of wharf capacity at Shoreham Harbour for meeting both West Sussex's needs and beyond.
- 3.3.18 The Partnership as well as East Sussex County Council are working with the Port to explore how best to interpret the safeguarded sites policies at Shoreham Harbour to protect the overall wharfage capacity at the

port whilst maintaining flexibility over which sites can contribute to meet aggregate needs. There are several larger safeguarded sites within the heart of the port operational area that are actively used to discharge aggregates which offer unused capacity and therefore potential to mitigate the loss of wharves elsewhere in the Port. In addition to this the Port is able to accommodate greater capacity on a number of other sites in the port operational area if required which are not currently safeguarded within the Local Plan. The consolidation of these sites reflects the trend towards larger operations and a decline in demand for smaller historic wharf sites that are potentially costly to bring back in to active use and are not as commercially attractive. As it stands not all wharves in active use for aggregates are currently safeguarded.

- 3.3.19 As part of updating the Minerals Local Plan (2003), WSCC commissioned a Wharves and Railheads Study (2008) that recommended that a lower level of priority should be attached to the safeguarding of specific wharves in the Western Harbour Arm partly in light of the regeneration aspirations for the area. WSCC published a subsequent Background Paper 4 (Transportation of Minerals and Waste, Version 2 (December, 2009) outlining its position that active wharves at Shoreham will be safeguarded until alternative capacity is provided and safeguarded through the JAAP. In autumn 2013 work restarted on the preparation of a new Minerals Local Plan, to

replace the 2003 Plan, with the commissioning of a Wharves and Railheads Study. The study, completed in November 2013, provides a range of scenarios to be used as the basis of further work by the County Council to define a preferred policy approach for inclusion in the Minerals Local Plan and to inform the JAAP. West Sussex County Council has confirmed their intention to include relevant policies and to allocate safeguarded sites within the emerging Minerals Local Plan.

- 3.3.20 The recently adopted East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan (2012) includes Policy WMP 14 which safeguards the overall mineral capacity in ports subject to no net loss of capacity rather than safeguarded individual sites. The plan states (paragraph 4.50) provision of equivalent capacity (tonnage) within either part of Shoreham Port maybe acceptable subject to future safeguarding by West Sussex County Council.
- 3.3.21 In accordance with the emerging Minerals Local Plans and the NPPF any applications for alternative development proposals on safeguarded minerals wharves or adjacent sites will need to clearly demonstrate that there will be no net loss to capacity for the import of aggregates at the Port as a result of the proposals. In accordance with the NPPF the Port Authority will continue to work closely with local Minerals Planning Authorities in preparing their annual

Local Aggregate Assessment based on a rolling average of 10 years sales data, other relevant local information and an assessment of all supply options (including marine dredged, secondary and recycled sources).

- 3.3.22 The Partnership and East Sussex County Council are currently preparing a Statement of Common Ground to establish cooperation and collaboration between the parties in addressing strategic cross-boundary issues as they relate to planning for minerals infrastructure and their safeguarding at Shoreham Port. It is anticipated that the Statement will set out matters of agreement and commitment to a future policy approach, reflecting the aspirations for regeneration at the harbour.

## 3.4 ECONOMY AND EMPLOYMENT

### STRATEGIC OBJECTIVE 3: To stimulate the local economy and provide new jobs

To provide targeted new employment floorspace and improve the business environment in order to support the needs of local employers. To equip local communities with the training and skills required to access existing and future employment opportunities.

- 3.4.1 The development of the harbour area is a long-term aspiration. In the short to medium term (5-10 years) it is essential to ensure that the initial phases of development do not compromise the operations of businesses on sites which are unlikely to come forward until later in the process. The Partnership is committed to continuing a process of dialogue to ensure mutually appropriate development scenarios as sites come forward.

- 3.4.2 The JAAP proposals have been prepared in line with consideration of their impacts on the local economy. A preliminary *Economic Impact Assessment* (GL Hearn, 2013) has been undertaken which has indicated that the proposals could generate a significant net increase in employment and additional economic output. The proposals will also promote increased supply chain influence, with the new business base created by the proposals potentially supporting further indirect job creation in the local economy.

- 3.4.3 Whilst the proposals will result in overall losses of employment land footprint as land is redeveloped for other uses, the profile of the new employment space that is created and retained will support the objectives identified in the Brighton & Hove and Adur Employment Land Studies, particularly by:

- Renewing older and poor quality industrial stock and delivering quality workshop and industrial space

to meet the needs of key creative/digital industries as well as emerging high-tech manufacturing and environmental technologies sectors.

- Expanding Adur's under-developed office market through the provision of new office accommodation and thus supporting growth in higher value-added sectors in the borough.
- Providing an opportunity to deliver small, affordable, start-up office space for which there is a continuing need in Brighton.

3.4.4 Proposals that incorporate initiatives and opportunities to secure apprenticeships, training and new job opportunities for the local area will be encouraged. As part of planning obligations associated with major development schemes developers may be required to contribute towards the provision of good quality employment and training opportunities.

3.4.5 The Partnership will continue to work in partnership with key stakeholders and local service providers to improve access and links to training and skills opportunities for local people.

#### Policy JAAP 20: Employment Sites

- The JAAP proposals support the delivery of approximately 14,000 sqm of new employment space in Adur and 7500sqm in Brighton & Hove.
- To prevent displacement of employment floorspace and associated jobs the authorities will aid the relocation of existing occupiers displaced by new development within the JAAP area, district or sub-region depending upon individual requirements.
- Where relevant, development proposals should provide clear evidence of a relocation strategy which ensures existing business continuity and minimises operational disturbance.
- Prior to sites coming forward for redevelopment to alternative uses, planning permissions for continuation of current employment uses may be granted for temporary periods on a case-by-case basis.
- Non-domestic floorspace must achieve a minimum BREEAM 'Very Good' standard.
- New development will be required to contribute to the improvement of the local highways network and public realm to improve the street

environment for local businesses. Wherever possible, proposals should seek to incorporate or contribute towards enhancements to areas of public realm identified as being of poor quality.

**Refer to:**

Revised Draft Adur Local Plan (2013):

- Policy 6: Planning for Economic Growth

Brighton & Hove City Plan Part One (2013),

- Policy CP3: Employment Land

**Policy JAAP 21: Retail uses**

- i. As part of mixed-use redevelopments, small-scale, ancillary retail uses are acceptable provided that such activity will assist in enlivening key frontages and supporting existing retailing areas. Proposals should be appropriate and complementary in relation to Shoreham-by-Sea town centre and the existing district centre designation on Boundary Road / Station Road.
- ii. New development for town centre uses (other than small-scale ancillary uses mentioned in i. above) outside of the defined town centre boundary (or Primary Shopping Area in the case of retail uses) will be assessed in accordance with the National Planning Policy Framework sequential and impact tests. An impact test will be required for any proposed retail development outside of the Primary Shopping Area with a floorspace of 1,000sqm or more.

**Refer to:**

Revised Draft Adur Local Plan (2013):

- Policy 27: Retail, Town Centres and Local Parades

Brighton & Hove City Plan Part One (2013):

- Policy CP4: Retail Provision



### 3.5 HOUSING AND COMMUNITY

#### STRATEGIC OBJECTIVE 4: To provide new homes to address local needs

To address shortfalls in local housing provision through delivering new homes of a range of sizes, tenures and types, including affordable and family homes.

- 3.5.1 In terms of supplying future housing sites, both Adur and Brighton & Hove are geographically constrained by the sea and by the South Downs National Park to the north. Most of the remaining green space is protected through environmental designations and for its recreation and amenity value. As a result, there is a limited supply of sites where new homes can be built and therefore development mainly consists of building on previously developed (brownfield) sites and small scale infill sites. Despite this the demand for new homes continues to grow creating a challenge for local authorities in identifying new sites.
- 3.5.2 Housing needs assessments for both Adur and Brighton & Hove<sup>18</sup> have identified a shortfall in housing

provision in relation to need, in particular affordable and family sized homes. Supporting the delivery of new housing areas is central to the vision of transforming the harbour into an attractive waterfront community. It is proposed that the JAAP will support the regeneration of a number of brownfield sites which have been identified as suitable for residential development, balanced with the protection of key employment sites in other parts of the harbour.

- 3.5.3 Affordability remains a significant issue within the District, particularly when taking into account the lower earnings of the population compared with elsewhere in the region. Whilst housing affordability issues are recognised within the area, it is likely to have a greater effect on the types of homes required than absolute numbers.
- 3.5.4 In line with the NPPF it is proposed that the JAAP will support changes of use (within allocated parts of the harbour) to residential use and associated development based on the identified need for additional housing in the area.

<sup>18</sup> Adur District Council Locally Generated Housing Needs Study (GL Hearn: 2011); Brighton & Hove City Council Housing Requirements Study (GL Hearn: 2012); Sussex Coast HMA Partners Housing Study (Duty to Cooperated) (GL Hearn: 2013)

### **Policy JAAP 22: Residential Development**

- i. Sites identified for residential-led redevelopment should contribute approximately 1450 new homes across the harbour by 2031, comprising 1050 within ADC and 400 within BHCC.
- ii. Developers will be required to ensure that proposals deliver a mixed and balanced community through providing a mix of dwelling types, sizes and tenures in accordance with identified local needs. A mix of apartments and terraced town houses would be appropriate across all tenures.
- iii. New build residential developments and conversions of non-domestic buildings to residential use and refurbishments of existing domestic buildings must achieve the Code for Sustainable Homes and BREEAM standards as set out in Local/City Plan policies.
- iv. New residential development will be expected to make provision for a mix of affordable housing, including social rented, affordable rented and intermediate housing in accordance with Local/City Plan policies.

**Refer to :**

- Revised Draft Adur Local Plan (2013):
  - Policy 18 – Sustainable Design
  - Policy 20 – Housing Mix and Quality
  - Policy 21 – Affordable Housing
- Brighton & Hove City Plan Part One (2013):
  - Policy CP9 - Sustainable Buildings
  - Policy CP19 - Housing Mix
  - Policy CP20 - Affordable Housing

### **Policy JAAP 23: Co-location of residential with employment uses**

- i. Residential development in close proximity to existing or proposed employment activities and port uses must be carefully designed and incorporate appropriate mitigation measures to prevent future conflicts arising and maintain the continued operation of business uses.
- ii. Innovative solutions to mitigation will be encouraged to ensure that residential-led development proposals are capable of existing with current neighbouring uses, as well as the long-term development scenario envisaged in the JAAP.

## SOCIAL AND COMMUNITY INFRASTRUCTURE

- 3.5.5 To ensure the regeneration of Shoreham Harbour creates healthy, sustainable communities, it is important that appropriate and sufficient social and community infrastructure is provided to serve existing and future residents. An increase in population in the area will place pressure on existing facilities or create the need for new infrastructure provision.
- 3.5.6 Social Infrastructure refers to emergency services, schools and colleges, health facilities, community spaces and cultural venues in the area. This does not include recreational / leisure facilities such as outdoor / indoor sports provision and open spaces / playing pitches (refer to Recreation and Leisure).
- 3.5.7 Infrastructure Delivery Plans (IDPs) have been prepared to support Adur's Local Plan and the Brighton & Hove City Plan. The IDPs will ensure that infrastructure is properly planned for and delivered in-line with the identified requirements of the Councils' population and to meet the needs resulting from future growth.
- 3.5.8 To support the level of development proposed along the Western Harbour Arm, the IDP specifies the following requirements. Refer to JAAP Policy 32: (Infrastructure) in Section 4 below:

### • Primary Education

- 3.5.9 New development of 1,050 dwellings will need to include a site capable of providing a 1 form entry, 210 place primary school as well as financial contributions; alternatively financial contributions would be required towards the expansion of existing schools in the Shoreham locality. Adequate capacity for extensions to local existing schools has been identified by WSCC.

### • Secondary Education

- 3.5.10 Shoreham Academy is currently working to capacity. Financial contributions will be required for expanding local provision by 184 additional secondary school places to accommodate the needs arising from the proposed development.

### • Further Education

- 3.5.11 Financial contributions will be required for expanding local provision for 74 additional places. Contributions will go towards the expansion / improvement of local sixth form facilities.

### • Childcare / Early Years Provision

- 3.5.12 Proposed housing and employer developments are likely to generate a need for an additional 26 childcare places which would be delivered by private, voluntary

and independent childcare providers. Financial contributions will be required for expanding local provision.

- **Library Provision**

- 3.5.13 The library offer will need to be improved / expanded to facilitate the development at the Western Harbour Arm. This could be through a new facility at Pond Road as part of a comprehensive redevelopment of the site.

- **Health**

- 3.5.14 Health infrastructure providers are in the process of identifying needs resulting from proposed new development across the area. This work is currently being carried out. The IDP will be updated to reflect the outcomes of this work.

- **Youth Facilities**

- 3.5.15 Fishersgate has been identified as an area requiring better facilities for youth services. Currently there is no dedicated Youth Centre close by, although there are a number of community facilities which could offer or do offer a youth service provision. Further work will be carried out for the next iteration of the IDP to identify specific needs.

- **Emergency Services**

- 3.5.16 Contributions towards emergency services, in particular the fire service, will be required as a result of development at the Western Harbour Arm.

- 3.5.17 The Brighton and Hove IDP notes the following in relation to development at South Portslade Industrial Estate and Aldrington Basin:

- **Education**

- 3.5.18 A need for an increase in school provision related to Shoreham Harbour. Further investigations as to the scale and nature of provision will be required and will be investigated for the next iteration of the IDP.

- **Health**

- 3.5.19 Health facilities as part of development at Shoreham Harbour will be required. Further investigations as to the scale and nature of provision will be required and will be investigated for the next iteration of the IDP.

## 3.6 TRANSPORT

### SO5. Sustainable Transport: To improve connections and promote sustainable transport choices

To promote sustainable transport choices through ensuring that new developments are well served by high quality, integrated, improved pedestrian, cycling and public transport routes and seeking to reduce demand for travel by private car in innovative ways.

- 3.6.1 Transport improvements will be required to support the JAAP proposals and reduce the impact of existing and future traffic congestion and related air quality and noise impacts. Measures that reduce reliance on the private car and improve sustainable transport choices will be promoted.
- 3.6.2 The draft Shoreham Harbour Transport Strategy has been developed alongside the JAAP to support regeneration and development at Shoreham Harbour. The Draft Transport Strategy contains a package of integrated transport measures that will guide the provision of transport infrastructure for the next 15 years. It takes a balanced view of transport provision in the JAAP area focusing on improvements to the existing road network and measures to encourage the

use of sustainable modes of transport. Five key outcomes are identified in the draft transport strategy:

- OC1 Reduced levels of congestion
- OC2 Strengthened sustainable transport mode share
- OC3 Connectivity to Shoreham Harbour
- OC4 A safe and attractive transport network and environment
- OC5 Adequate parking provision and controls

3.6.3 Policy JAAP 24: Promoting Sustainable Travel Behaviour and Policy JAAP 25: Improving Transport Infrastructure both seek to address outcomes 1-4 identified above. Policy JAAP 26: Parking addresses outcome 5.

3.6.4 The coastal settlement pattern of the JAAP area is linear with most of the key roads connected by the A259 which runs east – west through the Shoreham Harbour area. The A259 carries secondary and local traffic from Littlehampton and Worthing to Brighton and Hove. It has a dual function of carrying long-distance traffic as well as catering for local journeys. The A27 provides the strategic inland route taking much of the through traffic; however there is a significant volume of local traffic along the A259 including high numbers of heavy goods vehicles (HGVs).

- |       |  |        |   |
|-------|--|--------|---|
| 3.6.5 | Access to the main operational port area is via two main entrances off the A259 (Kingsway) which are not well connected to the A27. The advisory lorry route to Shoreham Harbour from A27 is via A293 which is lined by residential frontages. As a result HGVs often pass through either residential areas (via the advisory routes) or the town centres of Shoreham-by-Sea and Portslade.                |        | behaviour change initiatives and junction capacity improvements. Examples of behaviour change initiatives include travel plans, car sharing schemes, encouraging shared car ownership, and cycle training. This study is part of the evidence base for the draft Shoreham Harbour Transport Strategy and development proposals will be expected to contribute towards the package of measures identified.   |
| 3.6.6 | Access to Shoreham Beach to the south of the harbour is restricted to a single entry point from the A259 (Brighton Road).  | 3.6.9  | Public transport accessibility to the harbour is generally good with a four local railway stations on the West Coastway line serving most of the population within a 20 minute walk. Despite good accessibility, the railway line acts as a physical barrier to north – south movements for other road users with level crossing downtime (estimated at 30-40 minutes in the hour in peak times) exacerbating congestion. Capacity constraints on the Brighton Main Line and West Coastway have been identified by Network Rail as significant challenges facing this part of the rail network. |
| 3.6.7 | At peak periods journey times for vehicles on the A259 are slow, such as in High Street Shoreham where it can take in excess of 7 minutes to travel 750 metres. As a gateway to the JAAP area the A259 will be required to facilitate development traffic and provide access to local services, and reducing congestion on this key route is therefore essential to the regeneration proposals.            | 3.6.10 | There are frequent buses along the A259 however north-south movements are limited due to the road layout and severance created by the A259 and roads running under the railway line. In addition, there is scope to improve public perception of the bus network.   |
| 3.6.8 | The Adur Local Plan & Shoreham Harbour Transport Study (2013) assessed the impact of proposed housing and employment development at Shoreham Harbour on the highway network. It proposes a package of mitigation measures which will reduce the impact of development and encourage a shift in travel patterns to sustainable modes of transport. This package consists of sustainable transport measures, | 3.6.11 | Shoreham Harbour is well served by pedestrian infrastructure; however the environment for   |

pedestrians is considered to be poor and unattractive in places, and may not encourage short walking trips. In places the network is narrow, in poor condition, close to road traffic or poorly lit. The railway line and A259 both act as barriers to pedestrian movements causing severance.

- 3.6.12 Two key pedestrian routes connect across the harbour - the footbridge to Shoreham Beach and the harbour lock gates to Southwick Beach. Whilst both are well used, up until recently neither of these has offered a high quality pedestrian environment. The new Adur Ferry Bridge will now provide a much improved pedestrian and cycle connection between Shoreham Beach and Shoreham-by-Sea town centre and railway station.
- 3.6.13 To the east, the Brighton & Hove seafront provides a heavily used promenade for pedestrians and cyclists and a series of recreational activities. This currently ends abruptly at Hove Lagoon immediately to the east of Shoreham Harbour.
- 3.6.14 Southwick Beach and Carats Cafe act to some extent as destinations that help draw people to walk along the eastern part of the Harbour and across the lock gates from Southwick. There is a significant opportunity to improve the quality of this experience. There are also opportunities to create visitor destinations around the

old fort on Shoreham Beach and also the lighthouse on Kingston Beach.

#### **Policy JAAP 24: Promoting Sustainable Travel Behaviour**

- i. New development in the JAAP area must reduce the need to travel by car and should help to deliver sustainable transport improvements as identified in the Shoreham Harbour Transport Strategy.
- ii. Development will be required to contribute towards implementation of an intensive area-wide travel behaviour change programme.
- iii. Pedestrians and cyclists should be given priority over vehicular traffic on residential streets within the Strategic Sites areas, wherever possible.

#### **Refer to:**

Shoreham Harbour Transport Strategy (Draft 2014)

Revised Draft Adur Local Plan (2013)

- Policy 28 Transport and Connectivity

Brighton & Hove City Plan Part One (2013)

- Policy CP7 Infrastructure and Developer Contributions



- Policy CP9 Sustainable Transport
- Policy CP13 Public Streets and Spaces
- Policy SA1 The Seafront

### **Policy JAAP 25: Improving Transport Infrastructure**

- i. Developments will be required to contribute towards the delivery of transport infrastructure which reduces congestion and increases the use of sustainable transport modes. Specific measures are identified in the Transport Strategy including junction capacity improvements, improvements to bus and rail infrastructure and better cycling and walking routes and facilities.
- ii. Improvements should focus on the following priority corridors and seek to minimise the impact of traffic, including HGV's, on surrounding communities:
  - A259
  - A283
  - A293

- iii. To improve the connectivity of the JAAP area, development proposals must provide or contribute towards the delivery of a comprehensive and well integrated transport network with strong linkages to town / district centres, the harbour waterfront / coastline, the South Downs, access routes and surrounding neighbourhoods. Specific network improvements for these supporting links are identified in the Transport Strategy.
- iv. Proposals that incorporate facilities and/ or initiatives to promote the use of the river as a means of transport, such as provision of pontoons and additional moorings will be encouraged.
- v. Improvements must be consistent with recommendations in the Shoreham Harbour Streetscape Guide and Shoreham Harbour Transport Strategy.

#### **Refer to:**

Shoreham Harbour Transport Strategy (Draft 2014)

Revised Draft Adur Local Plan (2013)

- Policy 28 Transport and Connectivity

## Brighton &amp; Hove City Plan Part One (2013)

- Policy CP7 Infrastructure and Developer Contributions
- Policy CP9 Sustainable Transport
- Policy CP13 Public Streets and Spaces
- Policy SA1 The Seafront

- 3.6.15 Guidance produced by WSCC states that car parking provision for residential development should: take account of the expected levels of car ownership; ensure high quality of design; make efficient use of land. The guidance outlines that expected levels of car ownership and demand should be determined taking account of the type, size and tenure of the proposed development. BHCC standards currently outline maximum levels of parking, however it is anticipated that new guidance will put a priority on minimising off-street car parking provision in accessible locations.
- 3.6.16 Due to the constrained nature of strategic development sites at Shoreham Harbour, innovative approaches to parking will be required. The Transport Strategy identifies a localised approach to car parking provision such as using appropriate parking controls and the use of Car Clubs.

**Policy JAAP 26: Parking Provision**

- Car parking provision will be considered as part of the overall package of measures that impact on the need to travel resulting from the development. The amount of surface and on-street car parking should be minimised wherever possible and innovative solutions to the provision of car and cycle parking are encouraged as informed by the Transport Strategy. Measures could include the creation of new car clubs or the extension of existing car clubs, by providing additional vehicles in appropriate locations and access to membership, to cover the JAAP area.
- Proposals should include adequate levels of car parking for residential development or measures to promote lower levels of car ownership.
- All new development proposals will be required to provide adequate, appropriate and secure cycle storage facilities.

**Refer to:**

Shoreham Harbour Transport Strategy (Draft 2014)

**West Sussex County Council:**

- Guidance on Car Parking in Residential Developments

- County Parking Standards and Transport Contributions Methodology

Brighton & Hove City Plan Part One (2013)

- Policy CP7 (Infrastructure and Developer Contributions)
- Policy CP9 (Sustainable Transport)
- Policy CP13 (Public Streets and Spaces)

### 3.7

### FLOOD RISK MANAGEMENT

#### **Strategic Objective 6: To reduce the risk of flooding and adapt to climate change**

To ensure that development avoids and reduces the risks from flooding and impacts on coastal processes and that risks are not increased elsewhere as a result. To ensure that coastal defences accord with the relevant Shoreline Management Plan and the forthcoming Brighton Marina to River Adur Strategy for coastal defences.

#### 3.7.1

Parts of the JAAP area are at a high risk of flooding due to the proximity to the coastline and the River Adur exacerbated by the low lying topography of some sites. This is especially true for the Western Harbour Arm, parts of Aldrington Basin, Southwick and Portslade beaches as well as the port operational area.

#### 3.7.2

Tidal flooding presents the most significant risk to the area. The Adur & Worthing and Brighton & Hove SFRAs identify a number of sites located within Tidal Flood Zones 2, 3a, 3b and Non-functional Flood Zone 3b. This latter category recognises that some sites have the same risk of tidal flooding as Flood Zone 3b but do not have a significant storage or conveyance potential which materially impacts flood risk elsewhere.

In addition to this tidal flood risk, some areas are also affected by fluvial and surface water flooding.

- 3.7.3 Working closely with the Environment Agency, the partnership is in the process of preparing a user-friendly, stand-alone technical guide setting out the types of flood risk present in the harbour area, the vision for a comprehensive flood defence network along the Western Harbour arm and the requirements of developers in relation to mitigating flood risk in the JAAP area. A key consideration of the Technical Guide will be the impact that climate change will have on rising sea levels, storm frequency and storm magnitude.
- 3.7.4 Brighton & Hove City Council, in partnership with Adur District Council and the EA are currently drafting the Brighton Marina to River Adur Coastal Strategy Study. This document will examine how the stretch of coastline between Brighton Marina and the River Adur (up to the Canal lock gates in Southwick) will change over the next 100 years. This includes investigating erosion and flood mitigation measures that need to be delivered over this period. The strategy is due to complete in 2014. A similar strategy, The Rivers Arun to Adur Flood and Erosion Management Strategy (2010) has already been adopted by DEFRA. This strategy includes a large part of the River Adur.
- 3.7.5 The NPPF highlights the need to direct development away from areas at highest risk of flooding (thereby

avoiding the risk in the first instance), but where development is necessary, ensuring it will be safe without increasing the risk of flooding elsewhere.

- 3.7.6 Refer to Policies in Part 2 of this Plan which identify the site-specific flood defence and mitigation measures required within the character areas. Development in the Western Harbour Arm in particular will be required to deliver significant flood risk mitigation infrastructure.

### **Policy JAAP 27: Managing Flood Risk**

- i. Proposals should demonstrate how the risks of surface water run-off and water pollution have been reduced including through the introduction of Sustainable Drainage Systems (SuDS) and water capture / recycling technology.
- ii. New developments must incorporate open space, appropriate planting, green roofs and / or green walls (suitable for coastal growing conditions) to reduce levels of surface water run-off and consequent risk of flooding.
- iii. Proposals which seek to provide basement parking in tidal /fluvial flood zones will only be acceptable where adequate mitigation and emergency planning are included as part of the planning application.
- iv. Where development creates new flood flow routes, the site specific FRA must assess the potential flood hazard posed by them.
- v. Development proposals in the JAAP area must comply with the Shoreham Harbour Flood Risk Management Technical Guide.
- vi. Proposals must include an emergency strategy to ensure the safety of residents at times of

flooding. This should be developed in conjunction with the Councils' Emergency Planning Officer. The maintenance and review of the strategy will be the responsibility of the development management company.

#### **Refer to:**

Shoreham Harbour Flood Risk Management Technical Guide (in progress)

Revised Draft Adur Local Plan (2013):

- Policy 36 Flood Risk and Sustainable Drainage

Brighton & Hove City Plan Part One (2013)

- Policy CP11 Managing Flood Risk

### 3.8 LOCAL ENVIRONMENT AND NATURE CONSERVATION

#### STRATEGIC OBJECTIVE 7: To conserve and enhance the harbour's environmental assets.

To protect and conserve the area's important environmental assets and wildlife habitats including Site of Special Scientific Interest (SSSI), Royal Society for the Protection of Birds (RSPB) reserve, Sites of Nature Conservation Importance (SNCI), Local Nature Reserves (LNR) and Village Green.

- 3.8.1 It is essential that any development in the harbour takes in to account the sensitivities of the local environment. Located just outside the JAAP boundary to the west, is the Adur Estuary, a Site of Special Scientific Interest (SSSI) of particular ecological significance for its inter-tidal mudflats. It also contains one of the few saltmarsh habitats in West Sussex. The Adur Estuary is an important habitat for a range of species, particularly wading birds and is considered to be of national importance for the Ringed Plover.
- 3.8.2 The Shoreham Harbour area as a whole is of regional importance for passage bird species and is of county importance for wintering birds as a result of the sheltered nature of the site. The area is also of local

importance for breeding birds. It will be important to consider the impacts of increased recreational activities as a result of new development at the harbour on these sensitive areas.

- 3.8.3 Shoreham Beach is designated as a LNR and includes an SNCI. Vegetated shingle has also been identified at the Basin Road South SNCI in Brighton & Hove. These sites are considered to be of high ecological value at district level and are an important habitat for a diverse range of rare plants. They are also known to contain several reptile species, including the protected slow-worm and viviparous lizards. These sites are particularly vulnerable to trampling.
- 3.8.4 Other environmentally protected areas nearby include the chalk downland at the Beeding Hill to Newtimber Hill SSSI, located 4.2km north of the JAAP area, the Waterhall (SNCI) as well as the Mill Hill SNCI and LNR, located 1.8km north, which is a particularly important site for invertebrates.
- 3.8.5 A Reptile Survey (2009) indicated the presence of an exceptional population of common lizards and a good population of slow worms on the northern edge of Shoreham Harbour's Eastern Arm, south of the A259. A Great Crested Newt Pond HSI Survey (2009) concluded that due to a general lack of ponds and standing water bodies within the area, there is a

negligible risk of impacts on this protected species as a result of the proposals.

3.8.6 In reflection of the eco-town aspirations, major new development within the harbour is expected to be outstanding from an environmental perspective and designed accordingly to promote sustainable development. Therefore all potential opportunities for enhancement to promote biodiversity need to be considered.

3.8.7 It is possible to significantly reduce negative impacts of development on the ecology of the area through mitigation measures. Any potential wildlife habitats that will be lost as a result of development will need to be compensated for and enhanced wherever possible, in order to meet sustainable development requirements.

#### **Policy JAAP 28: Nature Conservation**

- i. All development must seek to provide a net gain to biodiversity, in particular to Biodiversity Action Plan (BAP) species and habitats. The indirect impacts of development, such as recreational disturbance, on designated nature conservation sites and other significant habitats must be considered. Appropriate mitigation must be identified, along with the means for its delivery and maintenance.

- ii. Development proposals will be required to include schemes to conserve, protect and enhance existing biodiversity, taking into account appropriate, coastal protected sites and species. Measures to enhance biodiversity include, but are not limited to:
  - Incorporating appropriate planting schemes for the location, using locally native species wherever possible.
  - Incorporating features such as green walls and green/brown roofs, with appropriate planting for the location.
  - Providing bird-nesting and bat-roosting boxes.
  - Providing areas of vegetated shingle.
  - Using SuDS to create wetland habitat features, which help store and clean surface water.
  - Creating, restoring or enhancing off-site habitats, including designated nature conservation sites.
- iii. The Shoreham Harbour Streetscape Guide (2012) states that all vegetation must be salt tolerant and suitable for a coastal environment. Trees must be securely staked, hardy and able to withstand strong winds



**Refer to:**

Revised Draft Adur Local Plan (2013)

- Policy 30 Green Infrastructure
- Policy 31 Biodiversity

BHCC City Plan Part One (2013)

- CP10: Biodiversity

**3.9****RECREATION AND LEISURE****Strategic Objective 8: To enhance and activate the harbour's leisure and tourism offer**

To create places that promote healthy and enjoyable living by improving existing and providing new open spaces, green links, leisure and recreation opportunities. To improve connections to and use of the waterfront, coast and beaches as attractive destinations for both locals and visitors.

**3.9.1**

Shoreham Harbour presents significant leisure opportunities given its proximity to the River Adur, the coast, and areas of environmental importance. The harbour is already home to a number of popular recreational and leisure related facilities.

**Beaches and water sports****3.9.2**

The public beaches play a significant role in the provision of amenity space in the harbour for residents and visitors. They provide recreational and leisure opportunities as well as providing landscape, environmental and biodiversity benefits. Some of the beaches, such as Southwick Beach, Shoreham Beach and, to a lesser extent, Kingston Beach are well used for traditional seaside activities (walking, swimming,

sunbathing). In addition, Southwick Beach is well used by surfers when conditions are right, whilst the Shoreham Beach area is well used by windsurfers and kite surfers. Paddle boarding is becoming an increasingly popular sport for coastal areas. Currently, facilities for these users do not exist, other than car parking facilities.

3.9.3 The harbour is also home to Shoreham Rowing Club located next to the Lifeboat Station on Kingston Beach. The Partnership is currently working with the Rowing Club to support its redevelopment to provide a new, expanded, modern facility.

3.9.4 Outside of the JAAP the Adur Outdoor Activity Centre (which is home to the Adur Canoe Club), and the Sea Scouts have watersports facilities. At Hove Lagoon in the east, Lagoon Water sports offers courses in wake boarding, dinghy sailing, yachting and windsurfing.

### **Sailing and facilities for boat-users**

3.9.5 The harbour is also home to a number of sailing facilities including:

- Lady Bee Marina (Southwick Waterfront)
- Riverside Yard (Southwick Waterfront)
- Sussex Yacht Club (Western Harbour Arm / Southwick Waterfront)
- Shoreham Sailing Club (Harbour Mouth)

3.9.6 All four areas have a strong leisure and recreation function with the first three providing berthing opportunities for larger vessels. These three currently have capacity for around 120 pontoon berths although access is a constraint to further pontoon capacity. The SPA are seeking to increase berthing capacity at Lady Bee Marina.

3.9.7 Whilst there is good provision of uses in and around the JAAP area, access is constrained in some places, and some facilities are in poor condition in need of replacement, improvement or re-provision. The Western Harbour Arm and surrounding area currently benefits from the location of a number of historic slipways and hards. Most of these are either inaccessible or dilapidated and lack sufficient parking and turning areas for trailers to make them usable. The Partnership is currently working with the Shoreham Slipways Group to identify a suitable location in the harbour for a new public slipway with sufficient space for appropriately laid out parking.

### **Outdoor Activities**

3.9.8 Outside of the JAAP area to the west, the Adur Outdoor Activity Centre provides facilities for a number of recreational activities. The centre has a climbing wall and offers a range of courses open to the public ranging from beginners through to advanced, run by

qualified instructors. The Activity Centre has facilities and courses available for canoeing and kayaking, mountain biking, orienteering and team building.

### Footpaths

- 3.9.9 Strategic routes for rural walkers are concentrated in the South Downs and stop at the outskirts of built up areas. Currently that do not connect well into the town centres and to the sea. Walking routes in the urban areas of the JAAP are not well designed and signage is poor. The new footbridge to Shoreham Beach has significantly improved the quality of the pedestrian environment in that area.
- 3.9.10 The pedestrian network running east to west along the majority of the JAAP area north of the coast / waterfront is limited to the path that runs along the A259 and as such currently offers a very poor experience for cyclists and pedestrians.

### Cycle Paths

- 3.9.11 The Sustrans national cycle route runs through the Harbour area from Hove Lagoon in the east, along the southern section of the canal (the South Quayside area) across the canal locks, at which point the route takes a more inland course away from the JAAP area and re-emerges in Shoreham. Here it crosses over Shoreham Footbridge and carrying on to the seafront

to the west. This route links Brighton in the east and Worthing in the west.

- 3.9.12 The section from Hove Lagoon to Brighton in the east and Shoreham Beach to Worthing in the West is almost entirely 'traffic-free' with dedicated bike lanes. The section in between that runs through the harbour area is classified as 'on-road', with no dedicated cycle lanes. This route is well used by cyclists for leisure and recreation. It is also a popular commuting route for cyclists, although a high number of commuters use the A259 from the lock gates in Southwick as this is the quickest and most direct course.
- 3.9.13 In addition, the harbour area has good cycling links to the South Downs in the north. The 'Downs Link' Bridleway that runs along the river Adur from Ropetackle to the South Downs is a key cycling and pedestrian link which connects Shoreham with the South Downs and which continues up to the North Downs in Surrey. Signage to this route from the town centre however is poor. Other routes to the South Downs from the JAAP area are also poorly signposted.

### Policy JAAP 29: Facilities for Boat-users

- i. Major waterfront development schemes, are expected to incorporate features that improve open access to the waterfront such as river inlets as well as facilities for boat users such as additional moorings, floating pontoons/docks and slipways where appropriate and in discussion with Shoreham Port Authority.
- ii. Development schemes that result in the loss of an existing slipway or hard and that fail to incorporate a new useable slipway (with sufficient parking/turning space) on-site may be expected to contribute towards re-provision of the facility off-site.

#### Refer to:

Revised Draft Adur Local Plan (2013):

- Policy 26: The Visitor Economy

Brighton & Hove City Plan Part One (2013):

- CP17 Sports Provision

### Policy JAAP 30: Public Open Space

- i. Development proposals will be required to provide high quality public open space on site. The type and quantity of open space will be determined by the scale and type of development, the identified needs of the area and local standards.
- ii. BHCC and ADC will work with developers to explore the role, function and more detailed design of green spaces as they come forward. These areas could help to meet local need for a range of open spaces including parks and gardens, amenity green space, provision for children and young people, outdoor sports facilities, allotments and community gardens.
- iii. Improved linkages to existing open space assets will be encouraged.
- iv. In accordance with Local/City Plan policies, the loss of existing open space will be resisted unless it has become surplus to requirements or would be replaced with equivalent or improved provision in a suitable location. In the case of any loss of open space, mitigation measures include, but are not limited to:
  - Better access to remaining open space.

- Provision of an alternative site.
- Significant enhancements to remaining open space including features to improve open access to the waterfront.

**Refer to:**

Revised Draft Adur Local Plan (2013):

- Policy 32: Open Space, Recreation and Leisure

Brighton & Hove City Plan Part One (2013):

- CP16 Open Space
- CP17 Sports Provision

**3.10 PLACE MAKING AND DESIGN QUALITY****STRATEGIC OBJECTIVE 9: To promote high design quality and improve townscape**

To promote developments of high design quality that maximise the waterfront setting, respect local character and form and enhance key gateways and public spaces. To protect and enhance the area's historic assets, including the Scheduled Monument at Shoreham Fort, listed buildings and conservation areas.

- 3.10.1 High quality urban design is an integral element of successful developments. Good design encompasses architectural design, form, height, scale, siting, layout, density, orientation, materials, parking and open space. New developments should be well-designed and integrated into the landscape and townscape, and should contribute positively to the harbour's character and distinctiveness. Existing poor-quality design should not set a precedent.
- 3.10.2 Improvements to the public realm (streets and public spaces) provide an opportunity to enhance the quality, character and distinctiveness of the harbour. Good use of 'natural surveillance', natural and artificial light and careful siting of buildings and street furniture can

improve the layout of an area, reduce perceived and actual crime and opportunities for anti-social behaviour, and make an area more pleasant to use.

3.10.3 Lighting is an important element of design quality; whilst necessary for safety reasons it can also add character and highlight elements of architectural quality. However, it is also important to ensure that light shines on its 'target' and does not waste energy or contribute to 'sky glow'.

3.10.4 Shoreham Harbour benefits from a number of historic assets. The harbour area includes:

- Parts of the Shoreham-by-Sea Conservation Area
- The Riverside Section of the Southwick Conservation Areas.
- Three Grade II Listed Buildings (Royal Sussex Yacht Club, Sussex Arms Public House, Kingston Buci Lighthouse)
- Shoreham Fort (Scheduled Monument).

#### **Policy JAAP 31: Place making and Design Quality**

- i. Schemes should be designed to reflect the character of the marine environment and should be sensitive to strategic views of the waterfront, surrounding landscape and historic features.
- ii. Waterfront development schemes are encouraged to incorporate features that improve public access, views and experience of the marine environment. This may be externally in the form of landscaped viewing areas and/or internally as an integral part of building design.
- iii. Major development proposals may be subject to design review process at the pre-application and application stages in order to ensure the highest quality of design.
- iv. Development proposals should improve the quality, accessibility, security and legibility of public streets and spaces. The public realm elements of the development proposals must be designed in accordance with the Shoreham Harbour Streetscape Guide (2012).
- v. Where appropriate contribution will be sought for the provision of public art, in accordance with the scale of development proposed.

- vi. All development proposals will be expected to embrace principles of good urban design with reference to the following characteristics:
  - High standards of architectural design and detailing.
  - Suitable scale and massing in relation to housing type and local context, including townscape character and historic environment.
  - Appropriate internal and external space standards in accordance with each authority's policy requirements.
  - Dwellings should benefit from excellent provision of private, semi-private and communal space. Buildings should provide strong enclosure to public spaces and streets, and should maintain a clear distinction between public, semi-private and private space.
  - High standards of private amenity space for all residential development, maximising a range of solutions including private balconies, terraces, gardens and shared courtyards as appropriate.
  - Provision of suitable family accommodation.

- Compliance with Lifetime Homes criteria.
- Incorporation of the features and principles of Secured by Design.
- vii. Avoidance of single aspect north-facing dwellings, and provision of dual aspect dwellings wherever possible.
- viii. The Partnership will work with its partners and other stakeholders to conserve and enhance the harbour's historic assets.

**Refer to:**

Revised Draft Adur Local Plan (2013):

- Policy 14 Quality of the Built Environment and Public Realm
- Policy 16 The Historic Environment

Brighton & Hove City Plan Part One (2013):

- CP12 Urban Design
- CP13 Public Streets and Spaces
- CP15 Heritage



## **4 DELIVERY AND IMPLEMENTATION**

## 4 DELIVERY AND IMPLEMENTATION

### 4.1 A PARTNERSHIP APPROACH

- 4.1.1 The following section sets out how the JAAP proposals will be delivered on the ground and how progress will be monitored over time. The plans will need to remain flexible and adjustable as opportunities emerge over time.
- 4.1.2 The regeneration plans are being driven by the Shoreham Harbour Regeneration Partnership. Members of the Partnership signed up to a renewed joint commitment to deliver renewal plans for the harbour via a Memorandum of Understanding signed in 2011. Partnership work is organised around an agreed governance structure that sets out day to day project management and operating protocols. Progress on project work is overseen by a Project Board of senior officers and key stakeholders that meets every quarter. In turn the Project Board reports back to a Leaders' Board comprising the leaders of each council and the Chief Executive of the Shoreham Port Authority. Key decisions are taken through the relevant committees of each authority.
- 4.1.3 Since 2009, significant technical work has been undertaken by the local authorities to determine the appropriate scale and land use mix to plan for at the

harbour. Given the changes in the wider economy and government approach during the recent period, it is critical that the plans are not held back by reliance on a large injection of upfront public funding which may be difficult to access. The current plans aim to provide a pragmatic balance between the aspirations and ambitions for a new waterfront community and the commercial realities of bringing forward complex, brownfield sites under current market conditions.

- 4.1.4 The role of the Partnership is to provide a dedicated resource to work with developers and investors to facilitate bringing forward packages of catalyst sites and local area improvement projects. Recent work has been focussed on gaining a better understanding of the barriers and costs that have contributed to the large viability gaps that have stalled previous iterations of harbour plans. This has highlighted potential solutions and alternative approaches to reduce costs, delays and risks that are now being taken forward by the Partnership.
- 4.1.5 Examples of current areas of Partnership work to support delivery include:

- Technical studies to identify infrastructure costs and delivery mechanisms including flood defence, transport and social infrastructure.
- Supporting business relocation plans including identifying alternative sites in the local area that better meet business requirements.
- Communications activities to maintain a positive two-way dialogue with land owners, developers and stakeholders and promote joint working for mutual benefit.
- Proactively seeking ways to reduce viability gaps and unlock stalled sites.
- Close working and ongoing dialogue with local charities and community groups with an active interest in the harbour area.
- Close working and engagement with key government agencies including Environment Agency, Highways Agency, Natural England and the Marine Management Organisation.

## 4.2

## DELIVERY OBJECTIVES AND DEPENDENCIES

### 4.2.1

The objectives for plan delivery are as follows:

- To ensure that the JAAP proposals and policies are realistic, viable and deliverable within the plan period (to 2031).
- To maintain appropriate governance structures and adequate resources to ensure responsibility for implementation.
- To commit to partnership working to identify delivery solutions and to source external funding where required.
- To maximise investor confidence and reduce risk for developers, partners and stakeholders.

### 4.2.2

The successful delivery of the JAAP is dependent on a number of factors including:

- Delivery of the Strategic Site proposals, underpinned by a business relocation and retention strategy.
- Funding and timely delivery of infrastructure, including flood defences, highway works and social infrastructure.
- Ability to resource working with local community groups and managing the local area improvement projects..

- The members of the Partnership and key stakeholders continuing to provide on-going commitment to Shoreham Harbour as a strategic development priority.

### 4.3 DELIVERING STRATEGIC SITE PROPOSALS

- 4.3.1 Bringing forward the major development opportunities referred to as the Strategic Sites (SS1-SS4) in this Draft JAAP will require the formation of land owner and developer partnerships. Some of the key sites are owned by members of the Partnership, particularly the Port Authority which will enable greater control over the nature of proposals coming forward. Landowner and stakeholder partnerships and potentially joint venture companies will carry forward proposals on the basis of development agreements, within the framework set out by the JAAP, and other supplementary site briefs.
- 4.3.2 Land assembly and anticipated release of development sites through the proactive work of the regeneration partnership will help to kick start progress during the first five years. It is not intended to utilise compulsory purchase powers ('CPO') in implementing strategic sites in multiple ownership and/or occupation, as the JAAP places an onus on developers to negotiate any land acquisition with support from the Partnership. However, an approach that takes a CPO

route to deliver a scheme may be required if negotiation proves unsuccessful. This will be carried out in accordance with Circular 06/2004.

### 4.4 INFRASTRUCTURE REQUIREMENTS

- 4.4.1 Development at Shoreham Harbour will generate the need for additional and improved infrastructure to support the needs of an increased population. Essential infrastructure covers a range of items including social infrastructure (e.g. health facilities, libraries, educational establishments etc.); physical infrastructure (e.g. highways, flood defences, utility provision etc.) and green infrastructure (e.g. allotments, natural open spaces etc.).
- 4.4.2 Infrastructure Delivery Plans (IDPs) have been drafted for ADC and BHCC<sup>19</sup>. These are live documents that set out the infrastructure priorities associated with the implementation of the ADC Local Plan and BHCC City Plan and include requirements for Shoreham Harbour. The IDPs clarify which organisation/s are responsible for delivering the infrastructure, how it will be funded and when it is required.
- 4.4.3 Private sector funding through planning obligations linked to individual development proposals will be an

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<sup>19</sup> Draft Adur Infrastructure Delivery Plan September (2013); Annex to Submission City Plan Part 1: Infrastructure Delivery Plan (2013).

important mechanism for securing delivery of infrastructure. The authorities are currently exploring the use of the Community Infrastructure Levy (CIL). Work is on-going to identify which types of developments are applicable for CIL as well as suitable rates and how this might impact on the use of traditional contribution mechanisms such as Section 106 Agreements.

4.4.4 Local Plan policies and Supplementary Planning Guidance set out the approach to planning obligations that will be applied which can be summarised as follows:

- On-site obligations required as part of the development including access roads and junctions for development and local public open space.
- Community infrastructure standard charges including towards public realm improvements, highways improvements and community facilities that may be required or impacted as a result of the development.
- Strategic infrastructure standard charge covering major capacity enhancing projects including transport network, and flood alleviation.

4.4.5 For strategic level infrastructure technical work is underway to scope out the critical priorities and costs for the harbour. For example, a Flood Risk Management Technical Guide is currently being

commissioned which will set out the parameters for provision of harbour-side flood defences. A Shoreham Harbour Transport Strategy is being prepared by WSCC which will establish the priority transport works that are required to support the proposals. Both of these documents will be used as part of planning negotiations to provide greater clarity to developers over contributions.

4.4.6 The following items of infrastructure are typically likely to be requirements for major developments within the Strategic Site areas:

- Contributions to public transport and highway network improvements
- Upgraded flood defences integrated with public waterfront walking / cycle route (where appropriate – particularly Western Harbour Arm waterfront sites)
- Contributions to social infrastructure
- Remediation of contaminated areas
- On-site renewable energy systems / low carbon technologies

### Policy JAAP 32: Infrastructure Requirements

- i. Developers will be required to provide or contribute to the provision of infrastructure made necessary by the development.
- ii. Infrastructure must be provided at the appropriate time, prior to any part of the development becoming operational or being occupied. Infrastructure needs are identified in each local authority's Infrastructure Delivery Plan (IDP).
- iii. In accordance with each local authority's planning contributions guidance, infrastructure contributions will be sought via Section 106 Planning Obligations where they meet the statutory tests, and potentially through a future Community Infrastructure Levy.

#### Refer to:

Revised Draft Adur Local Plan (2013):

- Policy 29: Delivering Infrastructure
- Planning Contributions for Infrastructure Provision: Interim Planning Guidance Document (2013)
- Draft Infrastructure Delivery Plan (2013)

Brighton & Hove City Plan Part One (2013):

- CP7: Infrastructure and Developer Contributions

- Infrastructure Delivery Plan
- Brighton & Hove City Council Developer Contributions: Technical Guidance on the main types of contributions

## 4.5 SECURING FUNDING

4.5.1 The work of the Partnership is currently supported by a limited amount of public funding that was awarded by central government prior to 2010. This funding is used to support staff resources, undertake technical studies and provide match funding for future funding bids. The main current sources of funding include:

- Growth Points Programme funding
- Eco-town funding
- Homes and Communities Agency contributions
- Environment Agency contributions
- Local authority and Port Authority contributions

4.5.2 Once the JAAP is adopted, there will be greater certainty for stakeholders to be able to work together to target sources of external funding. Potential sources being currently being explored include:

- City Deal
- Coastal Communities Fund
- Coast to Capital Local Economic Partnership (LEP) – Single Growth Pot

- Sustainable Transport Fund
- Heritage Lottery Funding
- EU funding

## **4.6 MONITORING OF PROGRESS**

- 4.6.1 The progress of the JAAP will be measured at regular intervals over time against the indicators set out within the Sustainability Appraisal that accompanies this document. As the JAAP evolves, the monitoring framework will be established working in partnership with relevant stakeholders. Final monitoring arrangements will be confirmed in the Sustainability Statement to be produced after the JAAP is adopted.
- 4.6.2 The local authorities undertake ongoing monitoring of their Local Development Frameworks of which this JAAP is a part. Progress on the delivery of the key opportunity development sites will be contained with the Authority Monitoring Report (AMR) for each respective council.





### Shoreham Harbour Regeneration

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# SHOREHAM HARBOUR REGENERATION

## DRAFT SHOREHAM HARBOUR TRANSPORT STRATEGY

### EXECUTIVE SUMMARY

SHOREHAM HARBOUR  
JOINT AREA ACTION PLAN

DRAFT FOR CONSULTATION  
FEBRUARY 2014



# **DRAFT SHOREHAM HARBOUR TRANSPORT STRATEGY**

## **EXECUTIVE SUMMARY**

### **1. Background**

- 1.1 The draft Shoreham Harbour Transport Strategy has been prepared by West Sussex County Council (WSCC) on behalf of the Shoreham Harbour Regeneration Partnership. WSCC is the local highway authority with responsibility for the majority of local roads in Adur District, Brighton & Hove City Council is the local highway authority for local roads within its administrative area. This excludes the A27 trunk road, which is the responsibility of the Highways Agency. Officers from the local highway authorities, the local planning authorities and Shoreham Port Authority have been involved in preparing the draft Transport Strategy.
- 1.2 The draft Transport Strategy has been developed alongside the draft Shoreham Harbour Joint Area Action Plan (JAAP) to enable regeneration through comprehensive redevelopment of sites in Shoreham Harbour. The draft JAAP envisages a wide ranging regeneration scheme focussed on four development areas which will deliver 1,450 new homes, new employment floorspace, a consolidated port, improved flood defences, transport infrastructure, public spaces, and community and leisure facilities. The draft Transport Strategy is underpinned by technical evidence, analysis of the current transport network and engagement with stakeholders.

### **2. Scope**

- 2.1 Shoreham Harbour is located on the south coast of England at the mouth of the River Adur between the towns of Shoreham-by-Sea and Hove. It stretches for five kilometres of waterfront and straddles the administrative boundary between Brighton & Hove and West Sussex. Land uses in the JAAP area include Port related, employment (industrial, commercial and retail), recreation, residential and undeveloped land. The Harbour is bounded to the north by the A259, the West Coastway railway line and the coastal communities of Shoreham-by-Sea, Southwick, Fishersgate, Portslade and Hove. It lies between the South Downs National Park and the English Channel and has several historic and natural designations.



Figure 1: Location of Shoreham Harbour

- 2.2 The draft Transport Strategy considers the needs of all modes of transport and proposes a package of transport infrastructure improvements and initiatives to complement the delivery of the vision for sustainable mixed use development at Shoreham Harbour alongside a consolidated port. The package of transport improvements and initiatives are seen as vital to delivering the planned regeneration to 2031. Although some improvements are located in the immediate Harbour area, some are further afield reflecting the influence of businesses in Shoreham Harbour on a wide geographical area.

### 3. Aim and Outcomes

- 3.1 The aim for the Transport Strategy is to support delivery of the vision for sustainable mixed use development at Shoreham Harbour to 2031 through a programme of transport infrastructure improvements, transport services and behavioural change initiatives; to minimise the impact on the existing network and quality of life for communities, while connecting the Harbour to its surroundings.
- 3.2 The Strategy seeks to achieve five outcomes, which complement the strategic objectives and area priorities within the JAAP:

**OC1 - Reduced levels of congestion**, focusing on priority east-west and north-south routes to improve conditions for businesses;

**OC2 - Strengthened sustainable transport mode share**, particularly for local journeys;

**OC3 - Connectivity** between Shoreham Harbour and important locations for communities and business in the local area and further afield;

**OC4 - A safe and attractive environment**, benefiting quality of life;

**OC5 - Provide adequate parking** provision and controls to manage the transport network efficiently.

A strategy has been developed to deliver these outcomes.

#### **4. Developing the Strategy**

- 4.1 The Transport Strategy has been developed by analysing the current transport network and has been informed by emerging and established planning and transport policies. Through this analytical process which has been supplemented by knowledge of local issues, a number of existing and future transport challenges have been identified. A wide variety of possible options were identified to address these challenges and deliver the outcomes of the JAAP.
- 4.2 To develop the preferred strategy, the performance of the possible options was appraised against the challenges, outcomes, viability, deliverability and acceptability. Where possible, this appraisal made use of previous technical work and considered a range of previously discounted solutions to ensure that a full range of possible options was considered.
- 4.3 Following this exercise, the most effective and deliverable solutions for a holistic Transport Strategy were determined and tested using suitable transport modelling tools. Through an iterative process of testing and refinement alongside preparation of the JAAP and Local Plans, a preferred strategy has been determined.
- 4.4 The preferred strategy takes account of the constrained geography, and emerging planning policies for Shoreham Harbour and uses best practice from other similar developments elsewhere in the UK. The scale of interventions proposed in this Transport Strategy is considered to be proportionate to the scale of development proposed in the JAAP and Local Plans and seeks to ensure that, following implementation of the Transport Strategy, the cumulative impact of development on the transport network will not be severe.

#### **5. Policy Context and Evidence Base**

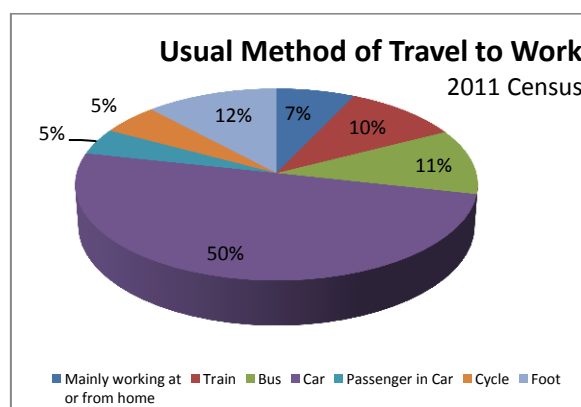
- 5.1 The draft JAAP has been prepared in line with the National Planning Policy Framework (NPPF) and local planning policies set out in the following documents:
  - Revised Draft Adur Local Plan (2013)
  - Brighton & Hove Submission City Plan Part One (2013)
  - East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan (2013)
  - West Sussex Waste Local Plan (as modified) (2013)
  - West Sussex Minerals Local Plan (2003)



- 5.2 Local transport policies are provided by the Brighton & Hove Third Local Transport Plan (B&HLTP) and the West Sussex Transport Plan 2011-26 (WSTP). These long term strategies guide development decisions and local transport investment.
- 5.3 Supporting technical evidence has been obtained from 2011 Census and a range of studies. This includes the Adur Local Plan and Shoreham Harbour Transport Study 2013, which assesses the impact of proposed housing and employment development at Shoreham Harbour on the transport network and proposes a package of mitigation measures. The Shoreham Town Centre Transport Study 2013 investigated the impact of development in the Western Harbour Waterfront (sometimes referred to as Shoreham Harbour Western Arm), which is a key area of change in the JAAP. The study identified measures to improve the way the town centre operates. These studies have informed the draft Transport Strategy.

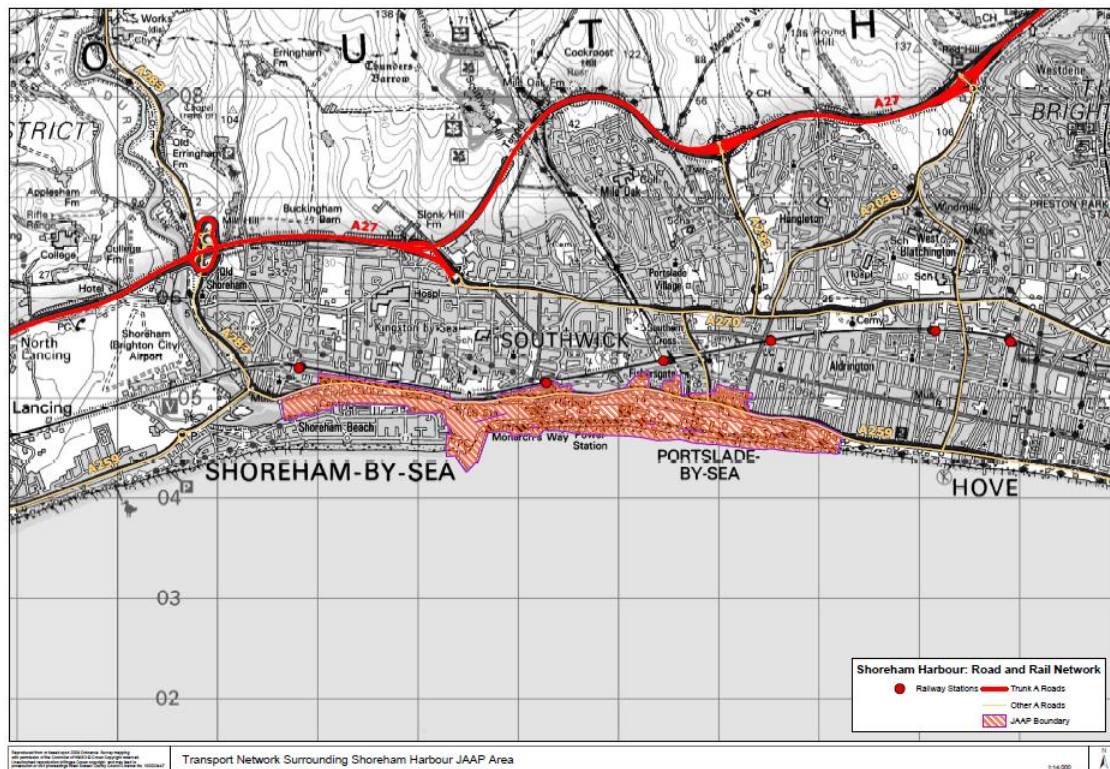
## 6. The Existing Transport Network

- 6.1 The population surrounding Shoreham Harbour (from 2011 Census within 1km of JAAP boundary) is 45,100 in 17,823 households.
- 6.2 Wards in both Adur and Brighton & Hove fall within the bottom 20% most deprived areas in England. Unemployment is higher than the regional and national average (approximately 2.6%).
- 6.3 The level of car ownership, where 73% have access to at least one car, is lower than the West Sussex average but higher than in Brighton & Hove. Despite this, the rate of multiple car ownership increased between 2001 and 2011 with households with two or more cars increasing by 12%, which equates to an increase of 2,300 vehicles.



- 6.4 Car travel to work remains the dominant method of travelling to work with 57% of residents choosing to travel by car (as driver or passenger). Sustainable modes of transport are increasing in popularity, as evidenced by shifts in travel behaviour between 2001 and 2011. For example cycle mode share has increased by 1.9% and rail by 3.3%. In 2011 public transport accounted for one fifth of all journeys to work, cycling provided 5% and walking 12%.

- 6.5 The 2011 Census provides evidence of current travel patterns and behaviour in Shoreham Harbour as the basis for developing a Transport Strategy to cater for future users of the transport system.



**Figure 2: Transport Network serving Shoreham Harbour JAAP Area**

- 6.6 The current transport network serving the JAAP area is predominantly road based, supported by a rail line. Due to the constrained geography, the highway network runs predominately east-west with connecting north-south routes. The main roads are A27 on strategic road network with links to Brighton, Portsmouth and London (via A23). The A259 and A270 are east-west local links carrying secondary and local traffic from Littlehampton, Worthing, Hove and Brighton. North-south links are A283 and A293 connecting the Harbour area with A27. Access to the Port areas from A259 is at Church Road and Wharf Road.
- 6.7 The West Coastway rail line runs east-west close to the JAAP area. Direct westbound services are available to Portsmouth, Southampton and the South West. Direct eastbound services are available to Brighton, Gatwick Airport and London. Connecting services can be accessed on the Brighton Main Line to destinations further afield including Bedford, Eastbourne, Guildford and Reading. There are six stations serving the JAAP area at Shoreham-by-Sea, Southwick, Fishersgate, Portslade, Aldrington and Hove. These provide different levels of facilities from unstaffed basic halts (Fishersgate and Aldrington), to larger stations with public transport interchange, ticket offices and operating services to a wider range of destinations (Shoreham-by-Sea and Hove). Train services are mainly operated by Southern, with less frequent services operated by First Great Western.

- 6.8 Alongside the road and rail system is a bus, cycle and walking network providing access through the urban area to local destinations in Shoreham, Portslade, Southwick, Hove and the South Downs. Buses provide services to destinations further afield in Worthing, Portsmouth and Brighton. The cycle network provides 16km of cycle specific facilities, with the core of this network running east-west through Hove, Portslade, Southwick and Shoreham and beyond. North-south corridors run from the coast to inland areas such as Holmbush, Hangleton and the South Downs National Park. For pedestrians there is a denser network of footways in the urban area and footpaths in the rural, providing local connections for residents, businesses and visitors.
- 6.9 The combined transport networks accommodate a range of journey purposes covering commuting, education, business, shopping, health and leisure. The JAAP area not only serves Port activities but also travel from other areas. The performance of the network now and in the future is a consideration for the Strategy, to reduce the risk of more congestion and greater unreliability. This assists in maintaining the economic vitality and viability of the Port, and is essential for regenerating Shoreham Harbour.

## **7. Challenges for the Network**

- 7.1 The existing and future transport challenges identified through analysis of available evidence and knowledge of local issues are:
- a) The Local Transport Plans for West Sussex and Brighton & Hove, recognise congestion as an existing issue facing the area which will be exacerbated as the area grows and develops. The impacts of congestion include unreliable journey times, undependable public transport, community severance, poor air quality and noise conditions.
  - b) The A27 experiences congestion and delays at peak periods along the length of the route, notably at Chichester, Arundel, Worthing and Lancing.
  - c) The A259 peak period journey times and network resilience are key issues. Conditions are not conducive to cycling and walking with narrow footways, limited dedicated cycling facilities and high volumes of traffic. As a gateway to the JAAP area, the A259 will be required to accommodate development-related traffic and provide access to local services. The corridor is expected to see increased journey times caused largely by pinch points at the junctions.
  - d) The Adur Local Plan and Shoreham Harbour Transport Study (2013) provides an assessment of the cumulative impacts of strategic development allocations to a forecast year of 2028 on the transport network. The study identifies that 9 of the 13 key junctions would operate in excess of their capacity (without mitigation), the most severe being A27/A283, A259/A283 and A27/A293.
  - e) Due to the perceived and actual conditions on the main roads, local streets are sometimes used to avoid congested areas. Level crossings can also cause delay and inconvenience as they are on main north-south routes in Shoreham-by-Sea and Portslade. This adds to the level of traffic,

including Heavy Goods Vehicles (HGVs) seeking to avoid these pinch points.

- f) An advisory lorry route network is in place along A259 and A293 connecting the commercial activity of the Port with the strategic road network. Due to the physical and traffic constraints along these routes, larger vehicles often divert onto inappropriate residential roads.
- g) Parking is regarded as a concern for residents and businesses across the JAAP area. Management of the demand for parking is through the supply of on and off-street spaces and restrictions (pay & display, limited waiting and residents parking schemes). Additional residential and commercial development is likely to generate further demand for parking.
- h) On the railway, capacity is constrained on both West Coastway and Brighton Main Line. Services at peak times can run at 70-90% of line capacity. On the West Coastway line, whilst train service frequency is good, slow journey times, reliability and capacity remain limitations.
- i) There is an extensive, frequent and successful bus service serving local destinations between Brighton and Worthing. Despite this, public perception remains that services are unreliable, infrequent and expensive.
- j) Bus patronage is significantly higher than the South East average, with 11% of journeys to work made by bus. One local operator suggests there has been a 20% increase in patronage on some routes between 2007/8 and 2012/13. However, there remains a high level of car use for local trips and concessionary fares account for 43% of bus trips made between Shoreham and Hove.
- k) Cycling accounts for 5% of all trips to work made in the JAAP area, which is higher than the national average, with average volumes of cycle traffic of between 300 and 1500 cycle movements per day (depending on the counter site).
- l) Despite this level of usage, both the WSTP and B&HLTP highlight that the network of cycle facilities may not be sufficient to encourage significant levels of additional cycling. The network is described as disjointed, indirect, poorly surfaced, has inadequate signing and a lack of safe crossing points. Congestion and traffic related safety concerns are also barriers to taking-up cycling.
- m) Walking contributes 12% of all journeys to work, however many more uncounted trips will involve walking as part of the overall journey. The size and scale of the highway contributes to perceptions of a poor and unattractive environment. In places the facilities are narrow, unlit, poorly surfaced or inaccessible for all, which is not conducive to shorter trips on foot.
- n) The consequences of the use and operation of the transport network are poor air quality, noise impacts and clusters of accidents in places. Air Quality Management Areas (AQMAs) have been declared in Shoreham town centre, A270 Old Shoreham Road and in Brighton. Noise from traffic affects residents particularly along the A259, A270 and A283 corridors.

- o) Clusters of accidents have occurred along the A259 corridor particularly at junctions where there are conflicting movements or in busy town centres.
- 7.2 To achieve the desired outcomes and support delivery of the regeneration, it has been necessary to determine a set of interventions which address these challenges.

## **8. Preferred Strategy**

- 8.1 The preferred solutions presented in this Transport Strategy seek to address the identified issues and achieve the outcomes through a holistic approach. This consists of transport infrastructure improvements (e.g. junction capacity enhancement, strategic and local access improvements, sustainable transport facilities) supported by a travel behaviour change programme (e.g. promotional activities, education and training initiatives). The next step is to develop the strategy further to take account of local feedback received through consultation on the draft JAAP.
- 8.2 The preferred strategy is comprised of the following transport infrastructure improvements and initiatives as summarised in table 1:
  - A. Priority corridor improvements (A259, A283, A293) – as the main gateways into the JAAP area and routes that carry the majority of longer distance traffic and HGV's; these priority corridors will be the focus for investment and improvements which balance the competing demands of strategic and local trips with the needs of sustainable modes of transport.
  - B. Supporting link improvements (e.g. B2194, B2167, B2066) – these links provide access to the Harbour, local services, public transport hubs and connect with the priority corridors; investment on supporting links will concentrate on enhancing their role in providing for substantially local trips through sustainable transport infrastructure, safety, access and environmental enhancements.
  - C. Access points to regeneration sites and to the consolidated Port activities (e.g. Church Road).
  - D. Creation of a new waterfront route in Western Harbour Waterfront area to provide an environment which encourages walking and cycling.
  - E. An area wide travel behaviour change programme targeting existing and new residents and businesses to encourage sustainable travel patterns.
  - F. Junction capacity and safety improvements (e.g. A27/A283, A27/Hangleton Link, A259/A283) to allow them to operate efficiently now and in the future.
  - G. Improvements to the reliability of bus services in the Harbour area through physical bus priority measures such as bus lanes (where possible) and use of bus priority measures at traffic signals.
  - H. Supporting bus operator-led improvements to the quality of bus services serving Shoreham Harbour (vehicles, frequency, ticketing, marketing).

- I. An expanded, high quality, safe and attractive cycle network to cover journeys of about 5km and enable it to encourage more cycle trips and removing barriers to cycling.
- J. A network of coordinated, safe and legible pedestrian facilities to connect development sites with surrounding communities and services.
- K. Having better access routes to rail stations, and interchange between modes (e.g. Shoreham-by-Sea, Hove), to serve wider catchment areas and act as gateways to Shoreham Harbour.
- L. Transport improvements to the public realm and street scape both within the development and in the adjoining area.
- M. Adequate and suitable car parking provision and controls, alongside adequate and secure cycle parking.
- N. Promotion and adherence to advisory lorry routes to minimise impact on residents and traffic from either the Port area or serving local businesses.
- O. Measures to reduce accidents and improve safety at identified hotspots or clusters.
- P. Programme of maintaining and managing the local transport network to maintain capacity and reliability.

## **9. Delivery and Monitoring**

- 9.1 In order to achieve the vision and objectives of the JAAP, a programme has been developed to deliver the Transport Strategy. Some elements may need to be delivered earlier than others or in conjunction with others to achieve the desired benefits and outcomes. Given the complex nature of the JAAP area, delivery will need to be in partnership with other stakeholders such as local authorities, Shoreham Port and the Highways Agency.
- 9.2 The JAAP acknowledges that the development envisaged will generate the need for additional and improved infrastructure. The individual measures outlined in the Strategy propose a programme of transport interventions required to support the proposals. Delivery will be required in a phased approach as funding opportunities become available, or need dictates. They can be delivered by a variety of different partners – including bus operators, train operators, the highway authorities, developers or business / local community. For effective delivery these would need to be in a coordinated manner to maximise the benefits.
- 9.3 Developer contributions will be obtained either through obligations linked to individual sites or through a centralised pot. Strategic requirements could also be delivered through funding allocations from centralised resources either from the Local Enterprise Partnership (LEP), central Government level or other sources.
- 9.4 Monitoring of the development and implementation of the Strategy will be carried out at regular intervals in line with the framework in the JAAP. This will be an evolving document and linked to the objectives and outcomes of the

Strategy. Progress and contribution towards meeting the targets in the Local Transport Plans by respective transport authorities will also be reported.

**Table 1. Summary of Preferred Shoreham Harbour Transport Strategy**

Scheme	Description	Achievement of outcomes				
		OC1	OC2	OC3	OC4	OC5
Priority Corridors (A259, A283, A293)	As the main arterial gateways into the JAAP area, they are the routes that convey the majority of traffic, provide access to the Port, are core public transport routes and provide connections with the wider area. They will be a focus for investment and improvement by taking an approach which balances the competing demands of strategic and local trips with the needs of sustainable modes of transport to support growth and regeneration. Improvements will concentrate on journey time reliability, reducing severance, accessibility to the main areas of change with public transport and environmental enhancements.	☑	☑	☑	☑	☑
Supporting Links (B2194, B2167, B2066)	Perform a role in assisting people to access the Harbour, local services, public transport hubs and to connect with the priority corridors. They will have a focus for investment and improvement which enhances their role in providing for substantially local trips through sustainable transport infrastructure, safety, access and environmental enhancements.	☑	☑	☑	☑	
Access to regeneration sites and Port activities	New access points or alterations to existing accesses to Character Areas and Shoreham Port, including realignment of Basin Road North to provide an internal access road to minimise unnecessary external HGV movements. Reduce the number of unnecessary or inappropriate accesses to maintain traffic flows or create new entrances into development areas.	☑	☑	☑	☑	
New waterfront route in the Western Harbour Waterfront area	New waterfront shared use low trafficked environment to encourage activity and support public access to the water. Layout will discourage through/inappropriate traffic in an environment that allows walking and cycling in an attractive setting.		☑	☑	☑	
Junction capacity and safety improvements	Physical (widening, enlarging or new traffic signals, safety measures) or technological (upgrade traffic signals, bus priority) at identified junctions predicted to operate at, or in	☑	☑	☑	☑	



Scheme	Description	Achievement of outcomes				
		OC1	OC2	OC3	OC4	OC5
	excess, of their theoretical capacity now and in the future. Including A27/A283, A27/A293, A259/A283, A259/A293 and A259/Boundary Road. Other junctions may require smaller-scale improvements through the development planning process to improve safety for all users.					
High Quality Bus Network	Maintaining and improving a reliable and frequent (at least every 10 minutes) network of quality bus services on Shoreham to Portslade/Hove corridor and wider catchment area. Infrastructure including bus priority measures, technology and high quality waiting infrastructure with frequent, reliable and accessible vehicles and tailored and real time information for passengers. Improved on-street parking regulation to enable buses to operate efficiently and attractively. Marketing and promotion of these services to new and existing residents and businesses.	☑	☑	☑	☑	
Expanded and improved cycle network	High quality, continuous cycle routes along a series of radial routes supported by feeder network, junction and barriers, covering journeys of about 5km (average 15 minutes cycle) encompassing vast majority of Shoreham, Portslade and Hove. Routes to be upgraded and promoted include the NCN2 and the proposed Riverside Walk, new crossing points, local connections into the existing network and local destinations. Removing physical and perceived barriers to cycling.	☑	☑	☑	☑	
New and improved pedestrian facilities	Network of coordinated, safe and legible walking routes to cover journeys of up to 2km (average 20 minute walking) to Shoreham and Portslade town centres and through the local area. Development to be pedestrian friendly include an attractive Riverside Walk, redefining streets making them 'people first' to restrict access for vehicles (e.g. New Road, Boundary Road, Kingston Lane), crossing points, maps and signs, and local connections into the existing network and surrounding destinations.	☑	☑	☑	☑	
Rail Station Interchange and access	Improving interchange with the rail network with improved access routes to the stations from the Harbour and surrounding community. To serve a wider catchment	☑	☑	☑	☑	☑

Scheme	Description	Achievement of outcomes				
		OC1	OC2	OC3	OC4	OC5
	area and longer distance journeys centred on the gateway stations (Shoreham-by-Sea, Portslade and Hove) including cycle parking / hub, bus integration, information, drop off and taxi ranks, walking and cycling routes, parking and forecourt and public realm improvements.					
Public realm and street scape	Transport improvements to enhance the public realm, create a sense of place for Shoreham Harbour in line with the Shoreham Harbour Streetscape Design Guide, to integrate the developments with the surrounding areas. Schemes in town and local centres as part of strategy to revitalise and promote local economic spend – including East Street-Brunswick Road in Shoreham and Station Road-Boundary Road in Portslade.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Parking controls and cycle parking	Providing adequate and suitable parking provision and controls for on and off development locations with spaces proportionate to dwelling mix and demographics, charging and management regime, supporting alternatives to car ownership and traffic management. Cycle parking within and outside development areas, a cycle hub (within sites and at stations) to provide secure parking, showers and changing facilities.		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Freight Management	Promotion and adherence to advisory lorry routes to minimise impact on residents and traffic from either the Port area or serving local businesses.	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Accident reduction and safety measures	Measures at identified accident clusters or hotspots, either stand alone or complementing other schemes; 20 mph speed limit, signs and wayfinding and safe crossing points.		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Area wide behaviour change programme	A supporting programme of behaviour change and smarter choice initiatives to support and guide the infrastructure package across the JAAP area. Designed to target change in travel habits at transition points in people's lives (moving house or job) through information, incentives and challenging barriers to sustainable travel (habit,		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Scheme	Description	Achievement of outcomes				
		OC1	OC2	OC3	OC4	OC5
	social norms, impressions and reality). Provide attractive alternatives to travelling by car or stimulate more efficient use of the car. Working with new and existing businesses and residents to develop and implement initiatives such as travel plans, car sharing, cycle challenges and shared car ownership.					
Maintenance	Programme of maintaining and managing the local transport network to retain sufficient network capacity and reliability for all users, safety ensuring barriers to walking and cycling are not reinstated and improving the public realm.	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	

### **Shoreham Harbour Regeneration**

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**TITLE: ADUR OVERALL BUDGET ESTIMATES 2014/15 AND SETTING OF 2014/15 COUNCIL TAX**

**REPORT BY: SARAH GOBEY, EXECUTIVE HEAD (FINANCIAL SERVICES)**

## **1.0 SUMMARY**

1.1 This report represents the culmination of the annual budget exercise and asks members to consider the following:

- The final revenue estimates for 2014/15;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2014/15, prior to its submission to the Council for approval on the 20<sup>th</sup> February 2014. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Cabinet.

1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2014/15 settlement.

1.3 The major points raised within the report include:

- The Council will benefit from surplus business rates in 2014/15 of £142,000 (paragraph 3.9.7);
- The Council expects to receive £198,000 more in New Homes Bonus in 2015/16 due to principally to the removal of the top-slice to the New Homes Bonus (paragraph 3.10.3);
- The referendum criterion has yet to be announced. Speculation within the press suggests that this will be set at a rate lower than 2%. Consequently, the maximum Council Tax increase that the Council can approve without triggering a referendum is likely to reduce and for planning purposes this is judged to be 1.5% (paragraph 3.11);
- The cabinet will need to consider whether to increase Council Tax by 1.5% or to freeze Council Tax for the fourth successive year and accept the Council Tax freeze grant (paragraph 5.12); and, finally
- The Cabinet needs to consider the growth items in appendix 2

## **1.0 SUMMARY**

- 1.4 The budget is analysed by Cabinet Member portfolio. In addition, the draft estimates for 2014/15 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2014/15 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).
- 1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2014/15 of 3.6% and the proposed 2014/15 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 24<sup>th</sup> January 2014. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 21<sup>st</sup> February 2014 at which point the Commissioner will be in a position to confirm the Council Tax for 2014/15. If the proposals for the PCC's share of the Council Tax are not confirmed until 21<sup>st</sup> February, then the planned Council date of the 20<sup>th</sup> February will be rearranged to the 27<sup>th</sup> February 2014.
- 1.6 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 14<sup>th</sup> February 2014. Therefore the formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 20<sup>th</sup> February 2014.

## **2.0 BACKGROUND**

- 2.1 The outline forecast report to Joint Strategic Committee on 4<sup>th</sup> July 2013 identified an initial likely budget shortfall of £630,000 for 2014/15. The Council agreed a budget strategy to meet this challenge through three major work streams:

1. Major Service Reviews;
2. Efficiency Reviews;
3. Base Budget Review.

In addition to these reviews, the July 2013 report proposed two new additional strands of work to balance the 2014/15 budget:

- Procurement review
- Continuous Improvement Board, as a replacement to the Change Management Board which has subsequently been deferred and replaced by the 'Catching the Wave' programme of work lead by the Chief Executive

- 2.2 The report to the Joint Strategic Committee in September updated members about the likely impact of the changes to the Councils' financial prospects following the Comprehensive Spending Review and to consider the Councils' responses to the consultations that have been released over the summer months. This revealed a slightly improved position for 2014/15, but a deteriorating position from 2015/16 onwards due to the then proposed changes to the New Homes Bonus and Revenue Support Grant.

## 2.0 BACKGROUND

Adur District Council	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Overall shortfall - July forecast	630	1,005	1,740	2,102	2,616
Overall shortfall - September forecast	626	1,251	1,958	2,281	2,725
Increase / (Decrease) in shortfall	(4)	246	218	179	109

- 2.3 The subsequent report to the Joint Strategic Committee, on 3<sup>rd</sup> December 2013, outlined the options for savings and growth and updated Members as to the latest budgetary information. The 2014/15 savings proposals for the Council amounted to £665,000. Since this time some additional savings of £53,600 have been identified and were considered by the Joint Committee on the 7<sup>th</sup> January 2014. These are attached at appendix 2 for information.
- 2.4 Since the meeting on 3<sup>rd</sup> December, the Adur District Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any non-committed growth items. Overall, therefore, the current financial position of the Joint Strategic Committee for 2014/15 can be summarised as:

	£'000
Original shortfall as identified in September	626
Changes identified in December 2013	
Impact of revised projection of New Homes Bonus for 2014/15	52
Impact of 2014 pension valuation	67
Impact of job evaluation	8
Net committed growth items identified by Executive Heads	135
Removal of contingency budget	-200
Budget shortfall as at 3 <sup>rd</sup> December 2013	688
<b>Main changes to the revenue budget:</b>	
<b>Impact of Settlement:</b>	
Draft allocation of New Homes Bonus	-6
Final Revenue Support Grant and NNDR baseline funding is marginally lower than expected	2
Final adjustment to Council Tax Freeze Grant	-1
<b>Changes to Council Tax :</b>	
Estimated surplus on the Collection Fund	-60
Decrease Council Tax income resulting from changes to the tax base	9
Decrease in Council Tax income resulting from a possible change in the referendum criteria from 2% to 1.5%	27
Budget shortfall carried forward	659



## 2.0 BACKGROUND

	<b>£'000</b>
Budget shortfall brought forward	659
<b>Changes in business rate forecasts :</b>	
Estimated surplus in the Collection Fund	-63
Additional retained business rates	-79
Removal of business rate shortfall	-119
<b>Other changes identified:</b>	
Revised assessment for the cost of increments, inflation, and the capital programme.	23
Reduction in charges to HRA following savings exercise.	89
<b>Revised budget shortfall</b>	<b>510</b>
<b>Less:</b> Savings identified in December	-665
Savings identified in January	-54
Adjustment to allocations between the councils	6
Removal of no detriment	19
<b>BUDGET SURPLUS TO BE PLACED IN RESERVES (BEFORE ANY FURTHER ACTION AGREED)</b>	<b>-184</b>

- 2.5 Local Government has seen an unparalleled reduction in funding over recent years. The Comprehensive Spending Review in 2010 detailed reductions in support of 28% in real terms over the four years 2011/12 – 2014/15.

Local Government – Departmental Expenditure Limit (DEL)					
Departmental Expenditure Limit	£Billion				
	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
Overall Total	28.5	26.1	24.4	24.2	22.9
Formula Grant Element	28.0	25.0	23.4	23.2	21.9
Council Tax Freeze	0	0.7	0.7	0.7	0.7
Other	0.5	0.5	0.4	0.4	0.4
Annual percentage reduction in Formula Grant		10.7%	6.4%	0.9%	5.6%
Overall reduction in Formula Grant					21.8%
Nationally overall funding available for all Councils will fall by 28% over the 4 years					

- 2.6 This trend of reducing Government support was further reinforced by the Comprehensive Spending Review announced on 26<sup>th</sup> June 2013 for 2014/15 and 2015/16

## 2.0 BACKGROUND

	2014-15 (£bn)	2015-16 (£bn)	Cash reduction (-)/ increase	Real terms growth
LG Resource DEL	25.6	23.5	-9.2%	-10.0%
Localised business rates	11.2	11.6	3.6%	1.7%
<b>Total Government Funding</b>	<b>36.8</b>	<b>35.1</b>	<b>-4.6%</b>	<b>-6.5%</b>

2.7 The review also announced that:

- 2011-12 and 2013-14 Council Tax freeze funding would be incorporated into Revenue Support Grant until at least 2015/16;
- a Council Tax freeze grant of 1% would be available for both 2014/15 and 2015/16;
- £300m to support the transformation of local services of which:
  - £200m was for an extension of Troubled Families programme to +400,000 families; and
  - £100m to enable efficiencies in service delivery.

These funding streams are subject to a bidding process

2.8 Consequently, Adur District Council has seen a significant reduction in support from Central Government via Revenue Support Grant and, now, baseline funding:

Adur District Council	2010/11 (adjusted)	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m	£m
Revenue Support Grant and 'baseline funding' *	4.132	3.470	3.094	2.803	2.287	1.772
Council Tax Freeze Grant 2011/12		0.153	0.153	0.154	0.154	0.154
Council Tax Freeze Grant 2013/14					0.062	0.062
Homelessness grant				0.057	0.056	0.056
Council Tax Support Grant **				0.850	0.850	0.850
		3.623	3.247	3.864	3.409	2.894
Annual reduction		0.662	0.376	0.291	0.516	0.515
Annual percentage reduction		16.02%	10.84%	9.41%	18.41%	22.51%
Cumulative total			1.038	1.329	1.845	2.360
			25.12%	32.16%	44.65%	57.11%

## 2.0 BACKGROUND

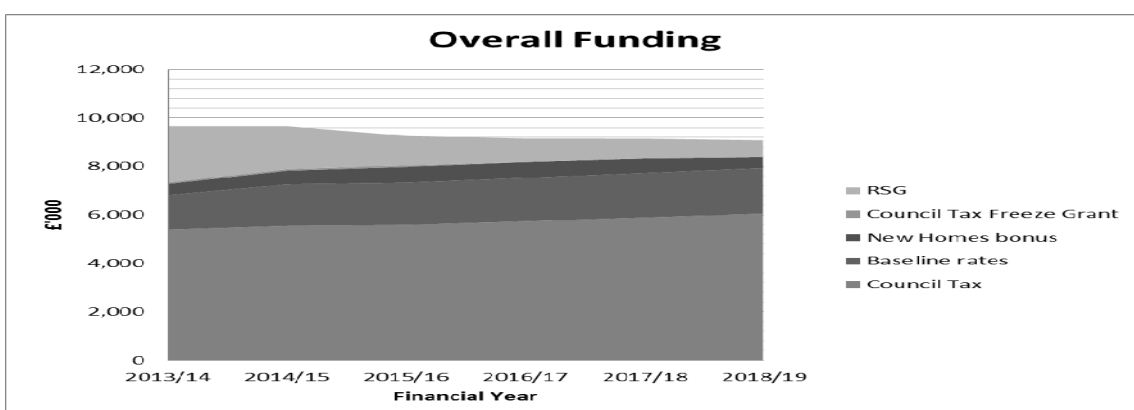
\* Excluding 2011/12 Council Tax freeze grant of £154k which was consolidated into the total in 2012/13; and Council Tax Support Grant of £850k and homelessness grant of £57k which will form part of government funding in 2013/14. The 2013/14 Council Tax freeze grant of £62k was consolidated in 2014/15.

\*\* The Council Tax Support Grant will form part of Revenue Support Grant and Baseline Funding from 2014/15 onwards.

2.9 One of the implications behind the reducing level of revenue support grant combined with the introduction of the business rate retention scheme and the New Homes Bonus is that over time these elements together with Council Tax form a more significant proportion of the council's overall income and consequently have a greater strategic importance. This means that decisions about whether or not to increase Council Tax become even more significant as they will influence not only income in the coming year but will also protect the income streams for future years providing a controllable and sustainable income source to the Council assisting the council in addressing unavoidable inflationary pressures.

Breakdown of general income to the Council	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	5,389	5,544	5,580	5,734	5,892	6,055
Baseline rates	1,428	1,716	1,746	1,790	1,835	1,880
RSG	2,320	1,771	1,213	970	825	701
New Homes bonus	459	566	653	653	591	438
Council Tax Freeze Grant 2013/14	62	63	63	0	0	0
	9,658	9,660	9,255	9,147	9,143	9,074

Breakdown of general income to the Council	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	%	%	%	%	%	%
Council Tax	55.80%	57.40%	60.28%	62.69%	64.45%	66.72%
Baseline rates	14.79%	17.76%	18.87%	19.57%	20.07%	20.72%
RSG	24.02%	18.33%	13.11%	10.60%	9.02%	7.73%
New Homes bonus	4.75%	5.86%	7.06%	7.14%	6.46%	4.83%
Council Tax Freeze Grant	0.64%	0.65%	0.68%	0.00%	0.00%	0.00%



## 2.0 BACKGROUND

Consequently, it is now clear that we cannot expect any easing of the financial pressure in the next 2 – 3 years.

- 2.10 The likely impact of the autumn statement and settlement for 2014/15 and 2015/16 is now known and this is discussed in detail in the next section of the report.

## 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- 3.1 The Autumn Statement contained some good news for the Council. The Chancellor commented that:

*'We can therefore be confident in reducing the contingency reserve by £1 billion this year and reducing departmental budgets by a similar amount in the next two years. This will save a further £3 billion in total.....*

*We will not apply these additional savings to local government, because we expect them to freeze Council Tax next year'*

*Chancellor of the Exchequer George Osborne,  
The Autumn Statement 2013*

Contained within the detail of the statement was some further good news about New Homes Bonus

*The government will formally respond to the technical consultation on the New Homes Bonus and the Local Growth Fund in due course. The government will not include the New Homes Bonus in the Local Growth Fund, except for £70 million for the London Local Enterprise Partnership, which is chaired by the Mayor of London.*

*Autumn Statement*

It is now unlikely that the planned transfer of New Homes Bonus monies to the Local Growth Fund will take place (other than in London) in 2015/16. This is of particular significance to Adur District Council and will be discussed in more detail later in the report.

- 3.2 The settlement was released on the 18<sup>th</sup> December 2013 in the form of a written statement and this year has been largely as expected. So the likely impact of the settlement for 2014/15 and 2015/16 for the Council is now clear. The settlement included the following highlights:

- Efficiency Support for Sparse Areas grant worth £9.5 million so that the most rural local authorities can continue to drive forward efficiencies in their area. This is an increase on the grant paid for this purpose in 2013 to 2014 and we intend that the grant will be rolled in to the settlement in 2014 to 2015, offering further protection for the most rural authorities. Adur District Council will not benefit from this additional funding.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- The Government is providing up to £550 million of extra funding to local authorities so they can freeze Council Tax for the next 2 years. The Secretary of State has agreed with the Chancellor that the funding for the next 2 freeze years will also be built into the spending review baseline and so the support will continue on until at least 2016-2017. The Local Government Minister wrote:

*We hope this will give maximum possible certainty for councils that the extra funding for freezing Council Tax will remain available, and there will not be a 'cliff edge' effect from the freeze grant disappearing in due course. We have done our part – we now expect councils to do theirs in helping hard-working people with the cost of living.*

Written ministerial statement by Local Government Minister Brandon Lewis on the provisional local government finance settlement 2014/2015

- The Council Tax referendum threshold principles are to be announced separately later in the New Year. Interestingly, the Government are:

*'open to representations suggesting that some lower threshold be applied to all or some categories of authorities, given the strong need to protect taxpayers wherever possible from unreasonable increases in bills, and given next year's elections on 22 May across the country allow for referendums to be held at minimal cost'*

Local Government Minister, Brandon Lewis

The issue the Council will face is that, statutorily, it needs to set its Councils Tax by 11<sup>th</sup> March but the referendum referred to, if needed, is proposed to coincide with the Local Government elections in May. This will mean that the Council would incur significant rebilling costs if the referendum overturned the Council's Council Tax proposals.

Logistically, it would be far more helpful if the Government announced the criteria at an earlier stage to enable all Councils to more effectively plan any Council Tax increase. Without knowing the criteria – it will be difficult to know what level of increase is 'safe' and avoids the need for a referendum.

- 3.3 Helpfully the government has also provided illustrative grant figures for 2015-16 which will give the council some certainty for the coming year. Although with a general election on 7<sup>th</sup> May 2015, it is difficult to be certain about the level of Local Government funding in the future beyond 2015-16. However, given the tenor of the Chancellor's speech on the 6<sup>th</sup> January which announced a further £25 billion cuts in 2016/17 and 2017/18 of which £12 billion will be in welfare, it is inevitable that the Council will face further reductions in funding in the future.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- 3.4 In overall terms, the settlement revealed that District and Borough Councils were the most heavily affected class of authority by an overall cut in funding of just under 13.5%.

YEAR-ON-YEAR CHANGE FOR THE 2014-15 SETTLEMENT			
Class of Local Authority	2013-14 Adjusted settlement funding	2014-15 Settlement funding	Overall Reduction in funding
	£million	£million	%
<b>England</b>	26,256.42	23,782.51	9.42%
<b>London Area</b>	6,023.71	5,510.29	8.52%
<b>Metropolitan Areas</b>	7,088.74	6,381.37	9.98%
<b>Shire Areas</b>	13,140.63	11,887.55	9.54%
<b>Isles of Scilly</b>	3.35	3.30	1.29%
<b>London Area</b>			
London Boroughs	4,859.199	4,354.84	10.38%
GLA – all functions	1,164.507	1,155.45	0.78%
<b>Metropolitan Areas</b>			
Metropolitan Districts	6,778.289	6,094.487	10.09%
Metropolitan Fire Authorities	310.447	286.884	7.59%
<b>Shire Areas</b>			
Shire unitaries with fire	473.009	426.120	9.91%
Shire unitaries without fire	4,998.291	4,503.665	9.90%
Shire counties with fire	2,391.602	2,193.651	8.28%
Shire counties without fire	3,520.281	3,213.572	8.71%
<b>Shire districts</b>	<b>1,263.788</b>	<b>1,093.588</b>	<b>13.47%</b>
Combined fire authorities	493.660	456.949	7.44%

- 3.5 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 15<sup>th</sup> January 2014 with final settlement expected in early February 2014.
- 3.6 It is unlikely that there will be any significant change at this late stage. If there are any significant changes arising from the final information members will be briefed before Council.
- 3.7 The local government finance settlement fundamentally changed in 2014-15. There are four different strands to local government funding which the Council needs to fully understand when setting the 2014-15 budget. These can be broken down into 4 topics, which are dealt with in more detail below:
1. Overall Government Funding
  2. Business Rate Retention Scheme
  3. New Homes Bonus
  4. Council Tax referendum

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.8 Overall Government Funding

The total overall funding to the Council has reduced by 11.9%. The total funding from Government is then split into two components:

1. Baseline Funding
2. Revenue Support Grant

This split is based on a national calculation which has determined that the Baseline Funding will be 46.17% of the total funding. For Adur this means that the overall funding will be split as follows:

<b>Adur District Council</b>	<b>£'000</b>
Overall funding	3,409 *
Split as follows:	
Baseline Funding (46.17%)	1,574
Revenue Support Grant (53.83%)	1,835

- \* From 2014/15 onwards, revenue support grant includes the 2013/14 Council Tax freeze grant.

The Baseline Funding then forms one of the components of the new business rate retention scheme discussed in further detail below.

#### 3.9 Business Rate Retention Scheme

3.9.1 The new business rate retention scheme has now been in place for a year. There are two key features which members are reminded of

- There is a 'safety net' in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be of 7.5% of Baseline Funding which is equivalent to a maximum below baseline funding of £118,040.
- A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over it's share of the business rate target.

For each additional £100,000 raised the Council will keep the following amounts:

	Share of additional income	Additional Levy paid to Treasury	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	<b>100</b>	<b>25</b>	<b>25</b>

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

- 3.9.2 Under the Business Rate Retention Scheme, the Council will be given a target income level for business rates. For 2014/15 this will be £16,495,230, of which 50% will be paid over to HM Treasury and 10% is paid to the County Council as follows:

	£
Business Rate target	16,495,230
Split as follows:	
HM Treasury (50%)	8,247,620
County Council (10%)	1,649,520
District Council (40%)	6,598,090

The monies paid over to the HM Treasury will be redistributed back to local government as Revenue Support Grant.

- 3.9.3 Those Councils whose share of business rate income target exceeds their baseline funding are known as 'tariff' Councils and will have to pay over business rate income to the Government equivalent to the surplus. Those Councils whose business rate income is less than their baseline will receive additional funding from the Government and are known as 'top-up' Councils. Adur District Council is a 'tariff' Council as follows:

<b>Tariff calculation</b>	£
Business Rate Target income	6,598,090
Less: Baseline funding	-1,534,830
	<hr/>
Tariff payment to government	5,063,260
	<hr/>

- 3.9.4 The new business rates system operates in a similar manner to the Council Tax. At the start of the year, the Council estimates how much business rates will be generated allowing for appeals, write-offs and administrative costs. The Council can then transfer its share of this estimated amount to the general fund. This is similar how Council Tax is dealt with.
- 3.9.5 At the end of the financial year, any surplus or deficit associated with business rates is assessed and this will benefit the Council in the following financial year.
- 3.9.6 However, any adjustment to the levy or safety net due to the government must be repaid to the government at the end of the current financial year (2013/14) despite the fact that the Council will benefit from this in the following financial year (2014/15).
- 3.9.7 The preliminary forecast for business rates for 2013/14 outturn and 2014/15 is as follows:



### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

	2013/14 Original Estimate	2013/14 Updated Estimate	2014/15 Estimate
	£'000	£'000	£'000
<b>Net Rates Payable (A)</b>	<b>16,813</b>	<b>16,613</b>	<b>17,186</b>
<b>Less Accounting Adjustments:</b>			
Movement in the bad debt provision and write-offs (B)	159	194	220
<b>Losses on Appeal</b>			
Provision for appeals in year	317	309	883
Full Provision for backdated appeal decisions	476	464	0
<b>Total losses on appeal (C)</b>	<b>793</b>	<b>773</b>	<b>488</b>
<b>Collectable Rates (D=A-B-C)</b>	<b>15,861</b>	<b>15,646</b>	<b>16,478</b>
Net Transitional Protection Payments - Paid by the government (E)	71	-584	-596
Allowable charge for administration costs (F)	85	85	86
<b>Non Domestic Rating Income (D-E-F)</b>	<b>15,705</b>	<b>16,145</b>	<b>16,988</b>
<b>2013/14 Original Estimate</b>		<b>15,705</b>	
Change from original estimate - increase (+) / decrease (-)		511	
<b>Surplus/(Deficit): Adur District Council</b>			
Business rates Baseline Target	6,510	6,510	6,637
<b>Less: Tariff/Top-Up</b>	<b>-4,966</b>	<b>-4,966</b>	<b>-5,063</b>
<b>Baseline funding Target (A)</b>	<b>1,544</b>	<b>1,544</b>	<b>1,574</b>
40% share of actual business rate income	6,282	6,458	6,795
<b>Less: Tariff/Top-Up</b>	<b>-4,966</b>	<b>-4,966</b>	<b>-5,063</b>
<b>Baseline funding Retained (B)</b>	<b>1,316</b>	<b>1,492</b>	<b>1,732</b>
<b>Surplus/(deficit) (B-A)</b>	<b>-228</b>	<b>-52</b>	<b>158</b>
50% Levy payable to Government in 2013/14	0	0	-79
Safety net payment	113	0	0
(Surplus) / Deficit to be retained by Council	115	-52	79
Less: Original 2013/14 deficit payment in current year		115	
<b>Additional surplus to benefit the Council in 2014/15</b>		<b>63</b>	

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.8 It should be appreciated that, when the 2013/14 original estimate was calculated, the Council had very little information about the outstanding level of appeals, consequently a 5% allowance for appeals was built into the estimate of business rate income (£793,000) together with an assumed level of write-offs of £159,000. However, since that time, the Valuation Office has improved the information supplied and the Council now receives a quarterly report on the level of outstanding appeals which has been used to update the current forecast for 2013/14.

3.9.9 The Council will fully provide for any known backdated business rates appeals at the 2013/14 year end, consequently the level of provision for new and outstanding appeals will reduce in 2014/15. This together with the business rates generated by the new football training facility will mean that the business rate income should exceed the government target set and benefit the overall revenue budget.

3.9.10 The Council is also working on a county wide project to improve the forecasting of appeals using some specialist software which, as time progresses, will ensure the forecast of the impact of appeals is more robust.

3.9.11 The forecast is currently being finalised. The government released the guidance for the 2014/15 NNDR return which underpins this forecast on the 6<sup>th</sup> January. The return is due to be submitted by the 31<sup>st</sup> January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.9.12 Looking further ahead, the generation of additional business rates may become one of the solutions to the Council's ongoing financial pressures. Members will be aware that there are several schemes progressing within the Borough which will create employment space. For example, a significant new business in the area may bring financial benefits to the Council as follows:

Assumed rateable value £1m

Estimated Rates income: £462,000

	<b>Additional income</b>	<b>Levy paid to Treasury</b>	<b>Kept locally</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Split as follows:			
HM Treasury	231,000		
County Council	46,200	23,100	23,100
District Council	184,800	92,400	92,400
	<b>462,000</b>	<b>115,500</b>	<b>115,500</b>

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.13 Finally, it should be appreciated that there are a number of risks associated with the business rate forecast:

- It is difficult to establish the number of appeals which are likely to come forward in any given year. There is no time limit on when an appeal might be lodged.
- There is a specific risk associated with schools becoming academies. At the moment it is not expected that any of the schools will become academies in 2014/15. However, if a school assumes academy status then it will become eligible of mandatory rate relief which will reduce the Council's business rate income.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

3.9.14 Consequently there could be significant swings in the amount of business rate income in any one year. However this will be tempered by the safety net. The maximum possible swing for 2014/15 would be:

	£'000
Loss of share of surplus	79
Maximum loss of baseline funding due to the safety net	118
	<hr/> 197 <hr/>

3.9.15 However, to help manage this risk it is proposed that at the end of 2013/14 a reserve is created specifically to manage this risk using any underspend. This reserve could also be used to manage any timing differences between when the Council is obliged to pay the government its share of any levy and when the Council will benefit from that surplus.

#### 3.10 New Homes Bonus

3.10.1 The New Homes Bonus is assuming a greater level of importance as source of funding. By 2015/16 the Council is expecting to receive £0.6m:

	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19
	£'000	£'000	£'000	£'000	£'000
New homes bonus (2011/12 - 2016/17)	62	62	62	0	0
New homes bonus (2012/13 - 2017/18)	153	153	153	153	0
New homes bonus (2013/14 - 2018/19)	244	244	244	244	244
New homes bonus (2014/15 - 2019/20)	107	107	107	107	107
New homes bonus (2015/16 - 2020/21)	0	58	58	58	58
<b>Total New Homes Bonus</b>	<b>566</b>	<b>624</b>	<b>624</b>	<b>562</b>	<b>409</b>

### **3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15**

#### **3.10 New Homes Bonus**

3.10.2 The final level of new homes bonus due to be received in 2014/15 is higher than expected by some £6,000. This is due to an increase in the amount of bonus awarded for affordable dwellings.

3.10.3 Looking further ahead, the announcement that New Homes Bonus would no longer be top sliced has significantly benefitted the Council in 2015/16 by £252,000.

3.10.4 Within Adur between 50 – 100 dwellings are constructed each year, although due to the development at the Southlands hospital site, over 200 were finished in 2012/13. For the purposes of forecasting the 2015/16 new homes bonus, it is assumed that 75 new dwellings will be completed by August 2014.

3.10.5 The future of New Homes Bonus from 2016/17 onwards is uncertain. The commitment to New Homes Bonus is until 2015/16 only and so it is assumed that there will be no new bonus from 2016/17 onwards.

#### **3.11 Council Tax Referendum**

3.11.1 Finally, as part of settlement, the Minister announced the referendum criteria would be announced after Christmas. It is unclear whether this relates to the 2014/15 criteria or the 2015/16 criteria, however it is suspected that this refers to 2014/15.

3.11.2 This overturned the criteria previously announced by the Chancellor in June which stated that:

The Council Tax referendum limit will be 2% in both 14/15 and 15/16. The Government will offer a Council Tax Freeze grant in both 2014/15 and 2015/16. This is likely to be allocated as a 1% grant for two years for those that freeze in 2014/15 and separately as a 1% grant for two years for those that freeze in 2015/16.

3.11.3 There has been some speculation in the press recently that the referendum limit will be reduced to 1.5%. The current budget forecast assumes a 2% increase. Clearly this 0.5% reduction would impact upon the Council's potential income from Council Tax by some £27,000. The late announcement of the referendum criteria introduces a degree of uncertainty into the budget process.

3.11.4 However, given that the original criteria announced is due to be changed, and the Secretary of State's often expressed view that Councils should accept the Council Tax Freeze grant; it seems unlikely that the limit will increase. Consequently, the budget forecast now assumes a maximum increase of 1.5%. Members will be briefed on the referendum criteria at the meeting if known.

3.11.5 Options for the Council Tax increase are discussed in detail later in the report.

#### 4.0 2013/14 BUDGET – CURRENT POSITION

- 4.1 The revenue monitoring report to Joint Strategic Committee on 7<sup>h</sup> November 2013 showed a forecast underspend for the year of £169,000 due to the following major factors:

	Forecast Over/(Under) spend
	£'000
<b>Homelessness</b> Private sector lease rental income in excess of the budget.	-50
<b>Investment Properties</b> Lower income due to empty properties.	60
<b>Refuse and Recycling Collection</b> Budget not required following change in accounting for MRP & Interest	-103
<b>Cross-Cutting savings</b> Reduction in energy costs across a variety of budgets.	-67
Net other over/(under) spends	-9
<b>Underspend as at 7<sup>th</sup> November 2013</b>	<b>-169</b>

- 4.2 The anticipated underspend of £169,000 will give the Council the much needed opportunity to place some funds into reserves to meet future needs as discussed elsewhere within this report. The ongoing trends that have been identified as part of this monitoring have been built into the 2014/15 revenue budget.
- 4.3 On past evidence, spending patterns between the November monitoring and the end of the financial year have shown there is every reason to expect that the position may continue to improve as the year progresses, which will be reported when the outturn report comes before the Joint Strategic Committee in June 2014. Consequently, any final recommendations regarding this underspend must be deferred until the outturn results are known.

#### 5.0 DRAFT REVENUE ESTIMATES 2014/15

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £5,483,550. This includes the savings agreed at Joint Strategic Committee in December and January.
- 5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

- 5.3 The key question of how the net budget requirement of £5.484m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.4 Details of all of the main changes in the base budget from 2013/14 to 2014/15 are at Appendix 1. A breakdown of each Cabinet Member's summary budget is attached at Appendix 7. The changes can be summarised briefly as follows:

	£'000	£'000
<b>2013/14 Original Estimate</b>		9,634
<b>Add: General Pay and Price Increases</b>		218
<b>Add: Committed and Unavoidable Growth:</b>		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	242	
Reduced Income as per 3 year forecast	81	
Impact of Capital Investment Programme	-2	321
		10,173
<b>Less: Compensatory savings/Additional Income:</b>		
Compensatory savings	-40	
Additional income	-	-40
2013/14 budget prior to agreed savings		10,133
<b>Less: Savings agreed by members</b>		
Approved in 2013/14	-52	
Approved in December	-659	
Approved in January	-54	
Removal of 'no detriment' adjustment	19	
Adjustment of allocations to the HRA	89	-657
Cabinet member requirements		9,476
Potential contribution to reserves*		184
Potential budget requirement before external support		9,660
Collection fund surplus		-60
<b>2014/15 BUDGET REQUIREMENT</b>		<b>9,600</b>
*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase.		

- 5.5 The estimates reflect the Council's share of the Joint Strategic Committee budget which was considered on 7<sup>th</sup> January 2014. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year. The swing of costs between the two Councils has changed by 0.75% between the two Councils resulting in an overall 'no detriment' adjustment of around £19,000.

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

5.6 The initial report to members about the creation of the partnership discussed at the Simultaneous Executive Meeting on 12<sup>th</sup> July 2007 emphasised the need for stability of costs between the Councils, and it was not proposed to take action until a firm trend has established. There were several reasons for this:

- Any of the allocations for the newly created joint services are based on broad estimates which will be confirmed as the services mature;
- Some of the joint services have only been in operation for a relatively short-time and so it is impossible to identify whether there is a long-term trend in the allocation of costs.
- Some of the swings in costs may be temporary in nature.

5.7 Given the small amount of overall 'no detriment' adjustment within the accounts of the two Councils, it is now proposed to remove this adjustment from the revenue budgets of both Councils. The implication for the future is that there will be an annual adjustment between the two Councils for any swing in the overall costs from the Joint Strategic Committee.

5.8 As part of the review of the allocation of support services there have been some changes for individual services which are reflected in the detailed budgets. It is important to note that this does not change the overall cost of the support services to each Council, but that it does influence the size of the share that each service takes, the proportion allocated to the HRA, and the proportion borne by the General Fund and the Capital Investment Programme.

Further details can be provided by request from Jo-Anne Chang-Rogers (Finance Manager) or Sarah Gobey (Executive Head (Financial Services)).

5.9 The current net estimated 2014/15 spend is less than previously predicted and is mainly due to the following factors:

	£'000
<b>Impact of settlement (see paragraph 2.5 and section 3 above)</b>	
Increase in grant arising from settlement (including the Council Tax Freeze Grant)	1
Expected increase in New Homes Bonus	-6
<b>Additional income from business rates (see section 3.8)</b>	-261
<b>Final adjustments in respect of inflation and salary increments</b>	23

5.10 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £327,350, of which £60,130 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £31.6m, and is due to an improved level of income to the collection fund.

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

5.11 Members are now faced with two questions:

- What level of Council Tax to set?
- Which of the growth items at appendix 2 to accept?

The decisions made today will be reflected in the budget papers presented to Council.

### 5.12 The Council Tax increase:

5.12.1 The budget forecast currently assumes that Council Tax will increase by 1.5% in 2014/15. This is a reduction from the previous forecast increase of 2% and reflects uncertainty about the referendum level.

5.12.2 In the recent consultation 58.8% of residents supported an increase in Council Tax and a 1.5% uplift would be a modest increase in the District council share of the bill for 2014/15 as follows:

<b>Adur District Council</b>	<b>£</b>
Average Band D Council Tax	274.27
Annual impact of 1.5% increase	4.11
Amount per week	0.08

5.12.3 Members should also be aware that the Police and Crime Commissioner has been consulting on a 3.6% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 0% increase. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just over 0.5%:

	<b>2013/14</b>	<b>2014/15</b>	
	<b>£</b>	<b>£</b>	
Adur District Council	274.27	278.38	1.50%
West Sussex District Council	1,161.99	1,161.99	0.00%
Sussex Police and Crime Commissioner	138.42	143.37	3.60%
	<b>1,574.68</b>	<b>1,583.74</b>	<b>0.58%</b>

5.12.4 Members should also be aware that there may long term consequences to accepting the Council Tax Freeze Grant and setting a 0% Council Tax increase:



## 5.0 DRAFT REVENUE ESTIMATES 2014/15

### 5.12 The Council Tax increase:

Adur District Council	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Council Tax income if Council Tax is increased by 1.5%	5,484	5,580	5,734	5,892	6,055
Council Tax income if Council Tax is frozen	5,402	5,497	5,649	5,805	5,965
Net fall in income	82	83	85	87	90
Less: Grant from government	64	64	0	0	0
Increase/decrease (-) in income per annum if Council Tax is increased	18	19	85	87	90

5.12.5 Members are asked to consider which level of Council Tax increase that they support. Increasing Council Tax by 1.5% will protect the longer term financial interests of the Council and build some much need capacity in the next financial year to invest in priority initiatives. However, given the current economic climate, and the very small financial benefit in the first two years, members may want to freeze Council Tax to protect the local community and accept the Council Tax freeze grant.

### 5.13 Uncommitted Growth Items:

5.13.1 Attached at Appendix 2 is a listing of the new uncommitted growth items which total £61,200. These have already been considered at the Joint Strategic Committee on 7<sup>th</sup> January 2014 and those items which had support from both Adur and Worthing members are included in the appendix. Members are now asked to confirm which of the items should be included within the revenue estimates for 2014/15.

5.14 Depending on the choices made regarding the Council Tax increase and the new growth items; the overall budget position will be:

Net budget requirement	£'000	£'000
		9,517
<b>Less:</b> Government grant	-1,773	
Baseline Funding	-1,574	
Share of additional Business Rate income	-142	
Council Tax (1.5% increase)	-5,484	
2013/14 Council Tax Freeze Grant	-62	
Council Tax reduction scheme	-40	
administration grant		
New Homes Bonus	-566	
Collection Fund surplus	-60	-9,701
<b>Estimated budget surplus based on 1.5% Council Tax increase carried forward</b>		-184

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

	<b>£'000</b>
Estimated budget surplus based on 1.5% Council Tax increase brought forward	<b>-184</b>
Estimated impact of freezing Council Tax and accepting the Council Tax freeze grant	18
Maximum impact of accepting the growth items	61
	<b>-105</b>
<b>Maximum contribution to reserves</b>	<b>105</b>
	<b>-</b>

- 5.15 The budget could support a 0% Council Tax increase and support some priority projects for the coming year from the planned contribution to reserves. Looking further ahead to 2015/16, the surplus savings identified in 2014/15 will help the council address it's future budget shortfall.
- 5.16 However, budgets remain extremely tight and there is little flexibility to fund new initiatives to take forward key priorities such as economic development projects designed to stimulate the economy and create new jobs.

## 6.0 IMPACT ON FUTURE YEARS

- 6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown at Appendix 1 (which includes an assumed 1.5% tax increase for 2014/15 which is to be considered as part of this report). The difficult settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

	Expected shortfall (Cumulative)				
	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	<b>421</b>	<b>1,062</b>	<b>1,899</b>	<b>2,240</b>	<b>2,735</b>
<b>Less:</b>					
Net savings agreed in December and January	-605	-659	-681	-681	-681
Impact of accepting the Council Tax Freeze grant	18	19	85	87	90
Impact of accepting all the growth items at appendix 2	61	61	45	45	45
<b>Less:</b>					
Potential contribution from reserves to be agreed	-105	-	-	-	-
Adjusted cumulative budget shortfall	-	<b>483</b>	<b>1,348</b>	<b>1,691</b>	<b>2,189</b>
Savings required each year	-	<b>483</b>	<b>865</b>	<b>343</b>	<b>498</b>

## 6.0 IMPACT ON FUTURE YEARS

6.2 The continuation of the 'austerity measures' has had significant consequences for the Council. Looking ahead, the stimulation of the local economy and provision of additional housing will be two of the measures which will help protect the Council's services. There are potentially four benefits which will directly improve the council's financial position:

- Increased income from business rates which is discussed fully in section 3 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;
- New Homes bonus of £1,160 per band D home until at least 2015/16 and possibly beyond.

6.3 However, these measures are unlikely to be enough. There will need to be a continuing emphasis on efficiency and value for money in the annual savings exercise. In addition, the Council will need to focus its scarce resources on key priorities.

6.4 Members should also be aware that the future of the overall funding for Local Government continues to be a cause for concern and there remains a risk that funding levels will reduce even beyond the current pessimistic projections.

## 7.0 RESERVES

7.1 Section 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with the best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 77 'Local Authority Reserves and Balances'.

7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. supplementary estimates); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.

7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31<sup>st</sup> March 2013 was £857,000 which is 8.8% of net revenue expenditure.

## 7.0 RESERVES

The year-end level on the General Fund Working Balance for the foreseeable future, therefore, is estimated as follows:

		£'000	%
31.03.2014	Balance carried forward – per Final Accounts	857	8.9
31.03.2015	No planned drawdown or contribution expected	857	8.9
31.03.2016	No planned drawdown or contribution expected	857	9.3
31.03.2017	No planned drawdown or contribution expected	857	9.4

The reduction in revenue support grant and the resultant decrease in the Council's net spend means that the same level of working balance equates to a higher percentage of net revenue expenditure.

7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:

1. A further fall in interest rates of 0.5% would cost the Council in a region of £110,000 in 2014/15.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £96,000.
3. Further adverse falls in income from such sources as development control income, car parks and land charges against a background of the recession which could result in falling income of over £100,000.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract
6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2014/15 of £580,000 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £966,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

## **7.0 RESERVES**

7.5 The estimated balance of earmarked reserves as at 31<sup>st</sup> March, 2014 is £3,513,000, although this will reduce to £3,074,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 3. The key risks to the overall budget and the Council's reserves are detailed below.

7.6 In all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes but the size and nature of the risks to the overall budget leaves the Council with little room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:

- supporting one-off rather than recurring revenue expenditure;
- dealing with short-term pressures in the revenue budget; and
- managing risk to the Council's budget.

## **8.0 SIGNIFICANT RISKS**

8.1 Members will be aware that there are several risks to the Council's overall budget. These can be summarised as follows:-

### **(i) Income**

The Council receives income from a number of services which will be affected by demand. These include land charges, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2014/15, income may fall further than expected.

### **(ii) Withdrawal of funding by partners**

All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

### **(iii) Inflation**

A provision for 2.0% inflation has been built into non-pay budgets together with an allowance for additional inflation on fuel. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation to drop throughout 2014/15, there is a risk that inflation will run at a higher rate than allowed for within the budget. Each 1% increase in inflation is equivalent to the following amount:

## 8.0 SIGNIFICANT RISKS

	1% increase
	£'000
Pay	96
Non-pay	39

- 8.2 To help manage these risks, the council has a working balance of £857,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

## 9.0 CONSULTATION

- 9.1 This report represents the culmination of the budget process which has involved consultation with Members, staff, members of the public and the business community.
- 9.2 Both Councils have undertaken a follow-up consultation to last year's area wide exercise entitled 'Your Chance to be the Chancellor'. This again took the form of a leaflet sent out to each home. The focus of this year's consultation was around the potential changes to the Council Tax Reduction Scheme in 2015/16, and the level of Council Tax increase that the public would support. 738 residents responded to the consultation and the full outcome of the consultation is attached at appendix 4.
- 9.3 With respect to the Council Tax increase, the Council asked and received the following response from residents:

*The Councils have managed to freeze Council Tax for the past three years, despite a reduction in government grant of over 32%. Both Councils expect a further reduction in a grant for 2014-15 of around 18% which is equivalent to £520,000 for Adur District Council and £790,000 for Worthing Borough Council.*

*With this in mind, would you prefer...*

<i>A small increase which will help the Councils to protect priority services</i>	<i>434</i>	<i>(58.8%)</i>
<i>To freeze Council Tax for the fourth year in a row and cut services</i>	<i>304</i>	<i>(41.2%)</i>

- 9.4 The annual briefing with the business community was held on 22<sup>nd</sup> January 2014.

## **10.0 UPDATE TO PRUDENTIAL INDICATORS**

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme including the financial impact of the acquisition of the refuse and recycling fleet and equipment which has been funded from prudential borrowing.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake. The Council has considered the revenue consequences of any proposed capital programme in agreeing the budget strategy for 2014/15. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2014/15 and future years.
- 10.3 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence.
- 10.4 The full set of Prudential Indicators and Treasury Management Limits is at Appendix 5. They reflect the Capital Programme approved at the Joint Strategic Committee on 3<sup>rd</sup> December 2013.
- 10.5 Members should note that the indicator for the authorised borrowing limit is a statutory indicator requiring approval by full Council under Section 3(i) of the Local Government Act 2003.

## **11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER**

- 11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Finance Officer - the Executive Head (Financial Services) - to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.
- 11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

## 11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

### 11.3 Overall view on the robustness of the estimates:

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
  - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
  - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
  - Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

It will therefore be important for members to maintain a diligent budget monitoring regime during 2014/15.

- 11.4 The Executive Head (Financial Services) and Section 151 Officer's overall view of the robustness of the estimates is, therefore, as follows:

*The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Council has also demonstrated that it has a sound system of financial management in place.*

## 12.0 COUNCIL TAX SETTING

- 12.1 The Council is obliged to raise the balance of its resources after grant to finance the General Fund Revenue Budget from its local Council Taxpayers. The Adur District Council Tax will be added to the Precepts from the West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Adur District.



## 12.0 COUNCIL TAX SETTING

12.2 Once the Cabinet has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2014/15 Budget, the resulting Council Tax for the District can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

### 12.3 Adur District Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2014/15 prior to the consideration of the budget proposals. This is based on 1.5% Council Tax increase:

	£	£
Net 2014/15 Budget *		9,700,430
<b>Plus:</b>		
Contribution from the Collection Fund surplus (as per paragraph 5.10)		-60,130
Net Budget requirement - (see Appendix 7)		9,640,300
<b>Less:</b>		
Aggregate External Finance:		
Revenue Support Grant	-1,834,780	
Baseline Funding	-1,573,830	
Business Rate income	-142,540	
Council Tax Reduction Scheme administration grant	-40,000	
New Homes Bonus	-565,600	
		-4,156,750
<b>Balance to be raised from Council Tax</b>		<b>5,483,550</b>

\* 2014/15 budget requirement after any contribution to reserves required to balance the budget.

However, within section 5 of the report, members are given the option of freezing the Council Tax and approving the non-committed growth items. Any reduction in income would be funded from the budget surplus.

### (b) Council Tax Base

The Council's Tax base for 2014/15 is 19,697.80 Band D equivalent properties. There is an increase in the current year base of 19,680.70 is due to an increasing number of homes. The full calculation of the tax base is shown in Appendix 6.

## 12.0 COUNCIL TAX SETTING

### 12.3 Adur District Council:

#### (b) Council Tax Base

	2013/14 Tax Base	2014/15 Tax Base
Lancing	5,818.90	5,860.30
Sompting	2,601.00	2,622.00
Unparished	11,260.80	11,215.50
<b>TOTAL</b>	<b>19,680.70</b>	<b>19,697.80</b>

#### (c) Special expenses

At the extraordinary meeting of Council held on 10<sup>th</sup> January 1995, Maintenance of recreation grounds and provision of community buildings were agreed as special expenses not chargeable in the Lancing area under the terms of Section 35 of the Local Government Finance Act 1992. In 2014/15 expenditure of £243,399 (£239,040 in 2013/14) falls under the resolution and will need to be financed by a Band D Council Tax of £17.55, to be charged in all areas of the District except Lancing, which is 1.56% higher than the previous year's charge of £17.28.

#### (d) Adur District Council Band D Council Tax

In order to raise the required sum, and after allowing for special expenses, it is recommended that the Council Tax at Band D be increased by an average of 1.5% or 0% as follows:

Area	2013/14	2014/15 (0% increase)	2015/16 (1.5% increase)
Lancing	£ 262.08	£ 261.90	£ 265.95
Shoreham, Southwick, Sompting and Coombes			
Basic Council Tax	262.08	261.90	265.95
Special Expenses	17.28	17.55	17.55
<b>TOTAL in Shoreham, Southwick, Sompting and Coombes</b>	<b>279.36</b>	<b>279.45</b>	<b>283.50</b>

## 12.0 COUNCIL TAX SETTING

### 12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 14<sup>th</sup> February, 2014. The Police and Crime Commissioner's proposed increase of around 3.6% is due to be considered by the Police and Crime Panel on 24<sup>th</sup> January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 21<sup>st</sup> February 2014.

	2013/14 £	2014/15 £
West Sussex County Council	1,161.99	t.b.a.
Sussex Police Authority	138.42	t.b.a.
<b>TOTAL</b>	<b>1,300.41</b>	<b>t.b.a.</b>

### 12.5 Lancing and Sompting Parish Precepts

- (a) Lancing Parish Council precept has been set at £282,170 at its meeting on 13<sup>th</sup> November 2013. In 2013/14 it was £278,000.
- (b) Sompting Parish Council is due to set its precept on 14<sup>th</sup> February 2013 preliminary indications are that this will remain unchanged from the previous year. In 2013/14 it was £82,693.

### 12.6 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the District Council at its meeting on 20<sup>th</sup> February 2014.

## 13.0 CONCLUSION

- 13.1 The past few years have been very difficult for the Council. The withdrawal of a significant amount of government grant has been challenging to address. Overall the Council has successfully identified further savings of over £1.4m to meet the current year's financial challenges. However, this has not been without pain. The council has reduced its workforce, with the inevitable pressure of additional work falling on the shoulders of the remaining staff. But we have largely, to date, protected the Council's front-line services.
- 13.2 Looking further ahead, 2015-16 will be equally as challenging as the Government continues deals with the national deficit. Whilst developing both the local economy to increase employment space and local jobs together with the provision of new homes will be one of the strategic measures that the Council can take to protect its longer term financial interests, there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.

## **13.0 CONCLUSION**

- 13.3 It is difficult to be certain what the future will hold for the Council post the next general election, other than to plan for further reductions in funding.
- 13.4 But we must not forget that the Council is in good financial health with strong reserves, which will help us deal with this whilst the Council revisits its priorities and strives for further efficiencies.
- 13.5 In preparing the strategy and forecast for 2014/15 an assessment was carried out of the significant risks and factors which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.
- 13.6 The annual preparation of the budget is a huge exercise involving the co-operation and support of countless officers in all departments of the Council. Most of the work, of course, falls on the Financial Services team and has to be completed within tight time constraints at a difficult time of year.

## **14.0 RECOMMENDATIONS**

### **14.1 The Cabinet is recommended to:**

- (a) Consider which of the growth items detailed at appendix 2 should be included within the revenue budget and funded from the budget surplus in 2014/15.**
- (b) Agree to recommend to Council the draft budgets for 2014/15 at Appendix 7 as submitted in Cabinet Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,700,430, subject to any amendments above; and**
- (c) Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2014/15 as set out in paragraph 12.3; and**
- (d) Agree to recommend to Council the special expenses of £17.55 per band D equivalent charged in all areas of the District except Lancing;**

**SARAH GOBEY**  
Executive Head  
(Financial Services) & Section 151 Officer

**ANDREW GARDINER**  
Strategic Director

## **Local Government Act 1972**

### **Background Papers :**

Report to the Joint Strategic Committee 3<sup>rd</sup> July, 2013 Outline forecast 2014/15 to 2018/19 and Budget Strategy

Report to the Joint Strategic Committee 3<sup>rd</sup> September 2013 Update to outline forecast 2014/15 – 2018/19 following the Comprehensive Spending Review.

Report to the Joint Strategic Committee 3<sup>rd</sup> December 2013 Outline 5 year forecast and savings proposals.

Report to the Joint Strategic Committee 7<sup>th</sup> January 2014 Joint Overall Budget Estimates.

Local Authority Finance (England) Settlement Revenue Support Grant for 2014/15 and Related Matters: DCLG Letters and associated papers of 18<sup>th</sup> December 2013.

The Autumn Statement 2013. HM Treasury

Local Government Act 2003 and Explanatory Note

“Guidance Note on Local Authority Reserves and Balances” – LAAP Bulletin No. 77 - CIPFA -published in November 2008

Statement of Accounts 2012/13

Report to Joint Strategic Committee 7<sup>th</sup> November 2013 – “2<sup>nd</sup> Capital, Revenue Budget and Performance Monitoring 2013/14

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## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

- 1.1 The budget supports the Council's achievement of all its priorities.

### **2.0 SPECIFIC ACTION PLANS**

- 2.1 The report details how the Council proposes to meet the financial targets initially outlined in the 3-year outline forecast considered in July 2010.

### **3.0 SUSTAINABILITY ISSUES**

- 3.1 Matter considered and no issues identified

### **4.0 EQUALITY ISSUES**

- 4.1 The majority of the proposals included in the report will have no impact on equality issues as there are no proposed changes to the way in which services are delivered.

### **5.0 COMMUNITY SAFETY ISSUES (SECTION 17)**

- 5.1 Matter considered and no issues identified

### **6.0 HUMAN RIGHTS ISSUES**

- 6.1 Matter considered and no issues identified

### **7. REPUTATION**

- 7.1 Matter considered and no issues identified

### **8.0 CONSULTATIONS**

- 8.1 Consultations are detailed in Section 9 of the main report

### **9.0 RISK ASSESSMENT**

- 9.1 The overall risks to the budget are detailed in Section 8 of the main report.

### **10.0 HEALTH AND SAFETY ISSUES**

- 10.1 Matter considered and no issues identified

### **11.0 PROCUREMENT STRATEGY**

- 11.1 Matter considered and no issues identified

### **12.0 PARTNERSHIP WORKING**

- 12.1 The report considers the impact that partnership working has on the overall revenue budget.

ADUR DISTRICT COUNCIL Revenue Budget Summary Statement 2013/14 - 2018/19						
	2013/14 Base	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Net Spending to be Financed from Taxation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Base budget</b>	<b>9,634</b>	9,634	9,634	9,634	9,634	9,634
<b>Annual Inflation</b>						
Estimated inflation		218	415	717	1,020	1,340
<b>One -off / non-recurring items</b>						
Local Elections (held every other year)		32		33		34
<b>Committed Growth</b>						
Changes to National Insurance Contributions		-	-	246	246	246
Impact of Pension contribution increase		67	136	228	233	238
Provision for job evaluation		8	8	8	8	8
Items identified by Executive Heads as reported in December		135	135	135	135	135
Contribution to Gypsy and Traveller site		-	15	15	15	15
<b>Compensatory savings</b>						
Fall out of early retirement costs		(40)	(65)	(65)	(65)	(65)
<b>Impact of capital programme</b>						
Financing costs		(2)	126	242	364	492
<b>Additional income</b>						
Investment income		81	(35)	(95)	(155)	(215)
Accommodation strategy (tbc)		(52)	(52)	(52)	(52)	(52)
<b>Total Cabinet Member Requirements</b>	<b>9,634</b>	<b>10,081</b>	<b>10,317</b>	<b>11,046</b>	<b>11,383</b>	<b>11,810</b>
<b>Baseline funding</b>	1,544	1,574	1,617	1,657	1,699	1,741
<b>Less: Safety net payment / business rate shortfall</b>	<b>(116)</b>	-	-	-	-	-
<b>Add: Retained additional business rates</b>		79	129	132	136	139
<b>Add: Share of 2013/14 surplus</b>		63				
<b>Adjusted Baseline funding</b>	1,428	1,716	1,746	1,790	1,835	1,880
<b>Revenue Support Grant</b>	2,320	1,771	1,213	970	825	701
<b>Council Tax</b>						
Adjusted Council Tax income	5,398	5,484	5,580	5,734	5,892	6,055
<b>Other grants</b>						
Council Tax Freeze grant 2013/14	62	63	63	-	-	-
New homes bonus (2011/12 - 2016/17)	62	62	62	62	-	-
New homes bonus (2012/13 - 2017/18)	153	153	153	153	153	-
New homes bonus (2013/14 - 2018/19)	244	244	244	244	244	244
New homes bonus (2014/15 - 2019/20)	-	107	107	107	107	107
New homes bonus (2015/16 - 2020/21)	-	-	87	87	87	87
Collection fund surplus/deficit (-)	(9)	60	-	-	-	-
<b>Total other grants and contributions</b>	512	689	716	653	591	438
<b>Total Income from Grants and Taxation</b>	<b>9,658</b>	<b>9,660</b>	<b>9,255</b>	<b>9,147</b>	<b>9,143</b>	<b>9,074</b>

ADUR DISTRICT COUNCIL Revenue Budget Summary Statement 2013/14 - 2018/19						
	2013/14 Base	2014/15	2015/16	2016/17	2017/18	2018/19
<b>(Surplus) / Shortfall in Resources</b>	<b>(24)</b>	<b>421</b>	<b>1,062</b>	<b>1,899</b>	<b>2,240</b>	<b>2,735</b>
<b>Contribution to (-) / Use of Reserves to Balance</b>						
Capacity issues reserve	(24)	-	-	-	-	-
<b>Total Income from Reserves</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>	<b>-</b>	<b>421</b>	<b>1,062</b>	<b>1,899</b>	<b>2,240</b>	<b>2,735</b>
<b>Savings agreed in November</b>		<b>665</b>	<b>719</b>	<b>741</b>	<b>741</b>	<b>741</b>
<b>Savings agreed in January</b>		<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>
Final adjustments to the allocation of the December joint savings between the two Councils		<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
Removal of no detriment		<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>
Allocation of savings to the HRA		<b>(89)</b>	<b>(89)</b>	<b>(89)</b>	<b>(89)</b>	<b>(89)</b>
<b>Total savings identified</b>		<b>605</b>	<b>659</b>	<b>681</b>	<b>681</b>	<b>681</b>
<b>Savings still to be found/ (surplus)</b>		<b>(184)</b>	<b>403</b>	<b>1,218</b>	<b>1,559</b>	<b>2,054</b>
<b>Council Tax increase</b>		<b>1.50%</b>	<b>1.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>



Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Corporate and Cultural Services</u></b> <i>Legal Services:</i> Increase in hours of Senior Information Officer In 2008 the Census Partnership highlighted the lack of information security standards, procedures and practice to the Census Joint Steering Group who agreed for a Project Team to develop a suite of Information Security Policies. The policy was agreed by Joint Strategic Committee on 27 <sup>th</sup> March 2012 and a suite of 12 policies have been developed and adopted by Management Team which set out the role and responsibilities of the Information Security Manager. These roles and responsibilities are new areas of work arising from the policies adopted by the Council. The work has been allocated to the Council's Senior Information Officer, who does not have the capacity to absorb this work into her current post.  The duties of the role are to take day-to-day responsibility for developing, monitoring and overseeing the implementation of the Corporate Information and Records Management Policies, procedures and guidelines and proving the mechanisms for supporting Access to Information compliance.	23.5	23.5	23.5	9.4	0.0	14.1	23.5

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Corporate and Cultural Services</u></b> <i>Legal Services:</i> <p>The policy approved by Joint Strategic Committee commits the Councils to putting in place policies, procedures, guidelines and mechanisms for improving good information management, information security and record keeping. The role and responsibilities assigned to the Information Security Manager are essential to the successful implementation and continued commitment to the laudable aims and objectives of the policy.</p> <b>Benefit/deliverables (outputs, impact on financial savings)</b> i) Safeguarding the Councils and avoiding breaches of statutory data protection rules.  <b>Implication of unsuccessful bid</b> There will be insufficient resources to carry out the role of Information Security Manager  <i>Human Resources</i> Computerisation of recruitment process Part of an on-going project to improve the efficiency of HR and Payroll processes through the use of IT. In 2013/14, the continued investment in this project levered in a annual saving of £8,000 in payroll administration costs.							
	6.0	6.0	6.0	2.4	0.0	3.6	6.0

APPENDIX 2

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Benefit/deliverables (outputs, impact on financial savings)</b> i) Non cashable efficiency savings as staff have less direct involvement in an on-line process. This is part of a Council wide initiative to reduce administration burden.  <b>Implication of unsuccessful bid</b> Unable to implement this system and progress the “channel shift” in recruitment  <i>Museum and art gallery</i>  Annual valuation of Museum Collection The Council is now required to regularly value it's collection for audit purposes. This will also have the benefit of making sure that this is not undervalued for insurance purposes.  <b>Benefit/deliverables (outputs, impact on financial savings)</b> The revaluation of the collection is a requirement for the statement of accounts. Museum curatorial team will not have to withdraw from income generating activities to carry out this task  <b>Implication of unsuccessful bid</b> The museum collections may be under insured and the assessment of heritage assets may not be accurate if a full valuation is not carried out.	21.3	21.3	21.3	0.0	0.0	21.3	21.3

APPENDIX 2

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Technical Services</b>							
<i>Estates</i> Additional Senior Estates Surveyor for two years to move forward the large number of simultaneous major sales being expected at the moment.	40.0	40.0	0.0	16.0	0.0	24.0	40.0
<b>Benefit/deliverables (outputs, impact on financial savings)</b> i) Lever in capital receipts to the benefit of both Councils as part of major projects such as NWoW and the new swimming pool.							
<b>Implication of unsuccessful bid</b> Unable to progress sales of sites as quickly as expected							
<i>Engineers</i> Additional engineer to support a variety of revenue projects including the Adur River Walls project, and Brooklands lake options.	40.0	40.0	40.0	16.0	0.0	24.0	40.0
<b>Implication of unsuccessful bid</b> Unable to progress a number of projects as quickly as expected							

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Planning Regeneration and Wellbeing</u></b>							
<i>Economic Regeneration</i>							
Events Coorodinator	43.4	43.4	43.4	17.4	0.0	26.0	43.4
Lack of co-ordinated approach to the delivery of events across the council. The responsibility is divided across several departments which lead to inefficiency and confusion internally and externally.							
Final release of this funding is subject to a report to the Joint Strategic Committee outlining the remit of the role and cofirming the salary level.							
	174.2	174.2	134.2	61.2	0.0	113.0	174.2

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.13 per note 8 of 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>1. CAPACITY ISSUES FUND</b> <b>Purpose:</b> To enable the Council to fund one-off initiatives. Now includes Carry Forward Reserve.	2,057	24 *see below	(869)	1,212	184 **see below	(569)	827
<b>2. PARTNERSHIP DEVELOPMENT FUND</b> <b>Purpose:</b> To fund the initial set up costs of the partnership.	67	- *see below	(15)	52	-	-	52
<b>3. INSURANCE FUND</b> <b>Purpose:</b> To offset the costs of insurance excesses and fund insurance risk management initiatives.	127	30	(9)	148	-	-	148

\* To be confirmed at year end

\*\* Includes £184k surplus from revenue budget to be considered as part of this report.

C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget

<b>SCHEDULE OF EARMARKED RESERVES</b>
---------------------------------------

Reserve	Balance as at 01.04.13	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>4. INVESTMENT PROPERTY MAINTENANCE FUND</b> <b>Purpose:</b> To offset future maintenance costs of investment properties.	68	-	(68)	0	-	-	0
<b>5. BUILDING MAINTENANCE FUND</b> <b>Purpose:</b> To offset the future maintenance costs of the Council's operation buildings.	151	-	-	151	-	-	151
<b>6. PERFORMANCE REWARD GRANT</b> <b>Purpose:</b> Balance of unspent grant earmarked for spending on projects to achieve agreed LAA outcomes.	26	-	-	26	-	-	26
<p style="text-align: center;">* Contribution to be confirmed at the year end</p> <p style="text-align: center;">C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget</p>							

**SCHEDULE OF EARMARKED RESERVES**

Reserve	Balance as at 01.04.13	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>7. NEW TECHNOLOGY FUND</b> Purpose: To fund additional IT equipment.	37	-	(15)	22	-	-	22
<b>8. HEALTH AND SAFETY FUND</b> Purpose: To offset unexpected costs arising from health and safety issues.	33	-	-	33	-	-	33
<b>9. LOCAL PLAN RESERVE</b> To fund consultation and preparation of Adur Local Plan	192	-	(94)	98	-	(37)	61
<b>10. SPECIAL &amp; OTHER EMERGENCY RESERVE</b>	250	-	-	250	-	-	250
<b>11. VEHICLE REPAIR AND RENEWAL</b> To fund future maintenance	29	-	-	29	-	-	29
* Contribution to be confirmed at the year end							
C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							



SCHEDULE OF EARMARKED RESERVES							
Reserve	Balance as at 01.04.13	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>12. OTHER SMALL RESERVES (under £20,000)</b>	36	-	(11)	25	-	-	25
All other reserves held with a balance under £20,000							
<b>13. GRANTS &amp; CONTRIBUTIONS HELD IN RESERVES</b>	441	-	-	441	-	-	441
<b>14. RESIDUAL PROJECTED UNDERSPEND</b>	-	169	-	169	-	-	169
Reserves to be identified at outturn.		*see below					
<b>15. GENERAL FUND WORKING BALANCE</b>	857	-	-	857	-	-	857
<b>TOTAL</b>	<b>4,371</b>	<b>223</b>	<b>(1,081)</b>	<b>3,513</b>	<b>184</b>	<b>(606)</b>	<b>3,091</b>
* Contribution to be confirmed at the year end C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							

**ADUR DISTRICT COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

Before you start the survey please be aware that you are required to give an answer for all the multiple choice questions.

In order for us to be able to analyse the results in the best way possible, please could you tell us the following:

**ABOUT YOU:**

**1. Do you live in:**

<b>Adur District Council</b>	<b>738</b>	<b>(100.0%)</b>
Adur District Council	0	(0.0%)

**2. Do you currently claim Council Tax Benefit?**

Yes	79	(10.7%)
No	659	(89.3%)

We have come up with five ideas of how we could make changes to our current scheme. Please could you answer all the questions:

**IDEA 1**

**3. All working age claimants should pay something?**

Strongly Agree	330	(44.7%)
Agree	298	(40.4%)
Disagree	64	(8.7%)
Strongly Disagree	46	(6.2%)

**4. Some claimants currently have no Council Tax to pay because they receive the maximum level of Council Tax support. After Council Tax support has been awarded to these working age claimants, should they be asked to pay?**

Nothing	111	(15.0%)
At least £2.50 per week	196	(26.6%)
At least £5.00 per week	257	(34.8%)
More than £5.00 per week	174	(23.6%)

**IDEA 2**

**5. Working age claimants living in larger properties should pay proportionately more than claimants living in smaller properties?**

Strongly Agree	265	(35.9%)
Agree	295	(40.0%)
Disagree	115	(15.6%)
Strongly Disagree	63	(8.5%)

**ADUR DISTRICT COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

**IDEA 2**

- 6. Do you think the maximum support a claimant is entitled to should be higher or lower than the average Council Tax Band C (equivalent to £1,404.32 per year)?**

More than Band C	67	(9.1%)
Same as Band C	302	(40.9%)

**IDEA 3**

- 7. Some people can afford to pay their Council Tax, but they pay a lower amount because a family member or friend (who is on a low income) lives with them. Do you think these awards should stop for working age claimants?**

Strongly Agree	346	(46.9%)
Agree	287	(38.9%)
Disagree	65	(8.8%)
Strongly Disagree	40	(5.4%)

**IDEA 4**

- 8. Working age claimants with savings should pay more than those with little or no savings? (The current savings cap set by the government is £16,000).**

Strongly Agree	136	(18.4%)
Agree	224	(30.4%)
Disagree	238	(32.2%)
Strongly Disagree	140	(19.0%)

- 9. What is the level of savings people can have and still be able to claim benefit?**

None	126	(17.1%)
£6,000	211	(28.6%)
£10,000	184	(24.9%)
More than £10,000	217	(29.4%)

- 10. If these ideas go ahead, what level of impact do you think this would have on your household?**

High Impact	20	(2.7%)
Medium Impact	81	(11.0%)
Low Impact	145	(19.6%)
No Impact	377	(51.1%)
I don't know	115	(15.6%)

**ADUR DISTRICT COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

**IDEA 5**

- 11. Before someone of working age is allowed to claim for Council Tax support do you think they should have lived in the area for a certain length of time?**

0 Years	145	(19.6%)
2 Years	325	(44.0%)
5 Years	268	(36.3%)

**COUNCIL TAX FOR NEXT YEAR**

The Councils have managed to freeze Council Tax for the past three years, despite a reduction in government grant of over 32%. Both Councils expect a further reduction in a grant for 2014-15 of around 18% which is equivalent to £520,000 for Adur District Council and £790,000 for Adur District Council.

- 12. With this in mind, would you prefer...**

A small increase which will help the Councils to protect priority services	434	(58.8%)
To freeze Council Tax for the fourth year in a row and cut services	304	(41.2%)

- 13. If you would like to freeze Council Tax for another year, please could you give us an idea of which services you would be prepared to have reduced or cut.**

**301 (100.0%)**

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 1 BACKGROUND

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. Under the prudential system, individual authorities are responsible for deciding their own level of borrowing, having regard to CIPFA's Code. The essence of the code is that borrowing for capital investment purposes should be affordable, sustainable and prudent.

### 2. NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

This is a key indicator of prudence. Net external borrowing is the difference between gross investments and borrowing. The capital financing requirement (CFR) is a separate estimate of the underlying need to borrow, and is shown at Paragraph 5 below.

In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional (CFR) for the current and next two financial years.

The Executive Head (Financial Services) reports that the Council had no difficulty meeting this requirement in 2012/13, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. ESTIMATES OF CAPITAL EXPENDITURE

- 3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax - and in the case of the Housing Revenue Account (HRA), housing rent levels.

No. 1	Capital Expenditure	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	Non-HRA	3.838	4.753	3.557	1.674	2.772
	HRA	4.852	4.646	3.526	3.205	3.285
	<b>TOTAL</b>	<b>8.690</b>	<b>9.399</b>	<b>7.083</b>	<b>4.879</b>	<b>6.057</b>

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 3. ESTIMATES OF CAPITAL EXPENDITURE

3.2 Capital expenditure will be financed as follows:

Capital Financing	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital receipts	0.435	0.203	0.373	0.123	0.123
Government Grants	1.191	0.381	1.161	0.242	0.242
Revenue contributions	1.962	1.841	0.035	0.036	0.036
Revenue reserves	2.055	2.567	3.261	2.481	2.481
Unsupported borrowing *	2.808	4.313	1.916	1.997	3.175
Other Contributions	0.239	0.094	0.337	-	-
<b>TOTAL</b>	<b>8.690</b>	<b>9.399</b>	<b>7.083</b>	<b>4.879</b>	<b>6.057</b>

*\*Note: the element to be financed from unsupported borrowing impacts on the movement in the Capital Financing Requirement (CFR).*

### 4. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the Council's net revenue streams required to meet borrowing costs. The definition of financing costs is set out at paragraph 69 of the Prudential Code (2011) and mainly comprises interest payable and revenue provisions for repayment of debt.

4.2 The ratio is based on costs net of investment income.

The ratio is positive as the cost of borrowing exceeds interest receipts from investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	Non-HRA	13.71	14.51	12.47	13.50	13.54
	HRA	41.99	44.08	40.88	39.43	36.68
	<b>TOTAL</b>	<b>55.70</b>	<b>58.59</b>	<b>53.35</b>	<b>52.93</b>	<b>50.22</b>

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 4. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

- 4.3 The General Fund ratio is relatively constant due to the financing costs of long term debt being at fixed rates of interest. Also the movement reflects in year changes to borrowing costs relative to the interest receivable from investments. For the HRA the ratio is reducing as the element of total debt relating to Self-Financing is being repaid on an equal instalments of principal basis resulting in an annual reduction of interest costs.

### 5. CAPITAL FINANCING REQUIREMENT

- 5.1 The Capital Financing Requirement (CFR) measures the Councils' underlying need to borrow for capital purposes. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. It is an aggregation of the amounts shown for non-Current Assets, Long-term debtors for capital transactions, the Revaluation Reserve, the Capital Adjustment Account, Donated Assets Reserve and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	Non-HRA HRA	12.892 66.078	14.076 65.562	15.108 63.994	15.361 63.284	16.713 62.655
	<b>TOTAL</b>	<b>78.970</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>	<b>79.368</b>

- 5.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
<b>BALANCE B/F</b>	<b>78.988</b>	<b>77.779</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>
Capital expenditure financed from unsupported borrowing (per 3.2)	2.529	4.313	1.916	1.997	3.175
Revenue provision for debt Redemption.	(2.547)	(2.454)	(2.452)	(2.454)	(2.452)
<b>BALANCE C/F</b>	<b>78.970</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>	<b>79.368</b>

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 6. ACTUAL EXTERNAL DEBT

- 6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/03/2013	£m
	<b>BORROWING</b>	
	HRA	66.869
	General Fund	13.185
	Total Borrowing	80.054
	Other Long-term Liabilities	-
	<b>TOTAL DEBT</b>	<b>80.054</b>

### 7. INCREMENTAL IMPACT OF CAPITAL INVESTMENT DECISIONS

- 7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Increase in Band D Council Tax	5.98	0.29	1.21	11.55	9.77
	Increase in Average Weekly Housing Rents	-0.02	-0.10	-0.69	-0.21	-0.04

- 7.2 The 2013/14 General Fund revised amount is lower than the original estimate due to slippage in capital expenditure during 2012/13 and the deferral of borrowing, which impacts on MRP applied in the following year. The movement in HRA values reflects the changes in capital programme and incidental borrowing costs.



## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 8. AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

- 8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Borrowing	99.0	99.0	99.0	99.0	99.0
	Other Long-term Liabilities	1.0	1.0	1.0	1.0	1.0
	<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The **Operational Boundary** links directly to the Council's estimate of the CFR and other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 8. AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

- 8.5 The Executive Head (Financial Services) has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet at the earliest opportunity.

No. 7	Operational Boundary for External Debt	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Borrowing	93.0	93.0	93.0	93.0	93.0
	Other Long-term Liabilities	1.0	1.0	1.0	1.0	1.0
	<b>TOTAL</b>	<b>94.0</b>	<b>94.0</b>	<b>94.0</b>	<b>94.0</b>	<b>94.0</b>

### 9. ADOPTION OF THE CIPFA TREASURY MANAGEMENT CODE

- 9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

No. 8	Adoption of the CIPFA Code of Practice in Treasury Management
	Adur Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 21 March 2002.

### 10. UPPER LIMITS FOR FIXED INTEREST RATE EXPOSURE AND VARIABLE INTEREST RATE EXPOSURE

- 10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculate these limits on net principal outstanding sums, (i.e. total debt net of total investments).

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 10. UPPER LIMITS FOR FIXED INTEREST RATE EXPOSURE AND VARIABLE INTEREST RATE EXPOSURE

- 10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

No. 9	Upper Limit for Fixed Interest Rate Exposure:	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	Investments only	-73	-100	-100	-100	-100
	Borrowing only	65	100	100	100	100
	Limit Based on Net debt	83	83	82	81	80

No. 10	Upper Limit for Variable Interest Rate Exposure :	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	Investments only	-35	-35	-35	-35	-35
	Borrowing only	27	50	50	50	50
	Limit Based on Net Debt	18	18	19	20	21

- 10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

### 11. MATURITY STRUCTURE OF FIXED RATE BORROWING

- 11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 11. MATURITY STRUCTURE OF FIXED RATE BORROWING

- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No. 11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	under 12 months	3	16
	12 months and within 24 months	3	16
	24 months and within 5 years	6	21
	5 years and within 10 years	11	22
	10 years and within 20 years	24	48
	20 years and within 30 years	18	58
	30 years and within 40 years	1	41
	40 years and within 50 years	12	73
	50 years and above	23	100

### 12. UPPER LIMIT FOR TOTAL PRINCIPAL SUMS INVESTED OVER 364 DAYS

- 12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Councils having to seek early repayment of the sums invested.

No. 12	Upper Limit for total principal sums invested over 364 days	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
		50.0	50.0	50.0	50.0	50.0

### 13. GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT(CFR)

- 13.1 This indicator was introduced by CIPFA in December 2012. It requires the comparison of actual Gross Debt with CFR (the underlying need to borrow), as it is a requirement to keep Gross Debt below CFR, except for short term variations. For this purpose CFR is taken as the amount in the preceding year, plus estimates of any additional CFR for the current and next two financial years.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 13. GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT (CFR)

No. 13	Gross Debt and CFR	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000
	Actual Gross Debt	(78.167)	(77.878)	(78.168)	(79.637)
	CFR	79.638	79.102	78.645	79.368
	<b>Under/(over) Borrowing</b>	<b>1.471</b>	<b>1.224</b>	<b>0.477</b>	<b>(0.269)</b>

- 13.2 This comparison is a key indicator of prudence, and is aimed to ensure that debt is only entered into for capital expenditure. Where the comparison highlights variations, the reasons are to be explained.
- 13.3 The table above shows the overall position for Adur combining the General Fund and HRA. The Council is under borrowed up to 2016/17, when it would be approximately £269k over borrowed if all the council's borrowing plans to finance the capital programme in the intervening years are realised. In accordance with the approved Treasury Management Strategy, the council will manage the position to ensure that actual gross debt does not exceed CFR other than temporarily for the short term.

### 14. HRA SELF-FINANCING SETTLEMENT

- 14.1 This indicator arises from the revision to the CIPFA Treasury Management Code of Practice in November 2011. It requires the Housing Authority to report the limit imposed on indebtedness by the Department for Communities and Local Government (DCLG) in regard to the HRA Self-financing arrangements, and to compare this limit with the HRA Capital Financing Requirement.

No. 14	HRA Debt Limit Compared to the Capital Financing Requirement	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	HRA Debt Limit	68.912	68.912	68.912	68.912
	HRA CFR	65.562	63.994	63.284	62.655
	<b>CFR Below Debt Limit by :</b>	<b>3.350</b>	<b>4.918</b>	<b>5.628</b>	<b>6.257</b>

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.00	2,688.00	4,945.00	11,303.00	6,088.00	1,887.00	700.00	302.00	10.00	27,923.00
Less: Exemptions	0.00	-50.00	-46.00	-90.00	-54.00	-19.00	-2.00	-4.00	0.00	-265.00
	0.00	2,638.00	4,899.00	11,213.00	6,034.00	1,868.00	698.00	298.00	10.00	27,658.00
Disabled Relief Adjustment (net)	7.00	12.00	27.00	1.00	-25.00	-13.00	1.00	-3.00	-7.00	0.00
Chargeable Dwellings	7.00	2,650.00	4,926.00	11,214.00	6,009.00	1,855.00	699.00	295.00	3.00	27,658.00
Broken down as follows:										
Full Charge	3.00	814.00	2,583.00	7,494.00	4,281.00	1,476.00	581.00	242.00	1.00	17,475.00
25% Discount (including adj for SP Dis)	4.00	1,761.00	2,252.00	3,546.00	1,638.00	357.00	102.00	41.00	1.00	9,702.00
50% Discount	0.00	22.00	30.00	74.00	46.00	14.00	13.00	11.00	0.00	210.00
0% Discount (Long Term Empty Homes)	0.00	53.00	61.00	100.00	44.00	8.00	3.00	1.00	1.00	271.00
Total Equivalent Number of Dwellings	6.00	2,145.75	4,287.00	10,190.50	5,532.50	1,750.75	664.00	278.25	1.75	24,856.50
Reduction in tax base due to Council Tax Support	10.56	783.66	1,160.45	1,441.08	380.89	62.65	8.97	3.10	0.00	3,851.35
Adjusted equivalent total dwellings	-4.56	1,362.09	3,126.55	8,749.42	5,151.61	1,688.10	655.03	275.15	1.75	21,005.15
<u>Band D Equivalents</u>										
Revenue Support Settlement	-2.50	908.10	2,431.90	7,777.30	5,151.70	2,063.20	946.20	458.60	3.50	19,738.00
Add: Forecast new homes	0.00	1.90	6.10	17.00	12.90	5.70	2.60	1.30	0.00	47.50
Add: Second Homes	0.00	10.70	16.70	44.00	33.00	10.40	5.80	1.70	0.00	122.30
Less: Adjustments for Losses on Collection, and Void Properties	0.00	0.00	0.00	0.00	210.00	0.00	0.00	0.00	0.00	210.00
COUNCIL TAX BASE	-2.50	908.10	2,431.90	7,777.30	5,361.70	2,063.20	946.20	458.60	3.50	19,697.80
										19,697.80

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**APPENDIX 7**  
**CIVIC BUDGET TABLE 2014/2015**  
**Summary of Cabinet Member Requirements**

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**INDIVIDUAL MEMBER PORTFOLIOS**  
**Summary and Variance Pages**

# ADUR BUDGET 2014/15

## Summary of Cabinet Member Portfolios



CABINET PORTFOLIO	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
Environment	3,377,650	3,150,480
Health and Wellbeing	989,420	1,011,480
Customer Services	1,059,200	1,179,930
Leader	556,480	543,470
Regeneration	1,803,590	1,804,090
Resources	2,116,660	1,930,840
Support Services Depreciation Not Charged To Services	389,890	607,620
<b>NET SERVICE EXPENDITURE</b>	<b>10,292,890</b>	<b>10,227,910</b>
Credit Back Depreciation / Impairments	(1,499,980)	(1,366,190)
Minimum Revenue Provision	847,280	963,680
	<b>9,640,190</b>	<b>9,825,400</b>
Transfer to / from Reserves	(5,940)	(308,520)
Potential contribution to Reserves	24,170	183,550
<b>Total budget requirement before external support from government</b>	<b>9,658,420</b>	<b>9,700,430</b>
Potential under achievement of business rate target	115,790	(142,540)
Baseline Funding	(1,543,810)	(1,573,830)
Revenue Support Grant	(2,320,560)	(1,834,780)
Council Tax Freeze Grant	(61,980)	-
Council Tax reduction scheme administration grant	-	(40,000)
New Homes Bonus	(458,670)	(565,600)
Contribution to/(from) Collection Fund	8,640	(60,130)
<b>Amount required from Council Tax - Adur District</b>	<b>5,397,830</b>	<b>5,483,550</b>
		-
Council Tax Base (See paragraph 12.3)	<b>19680.7</b>	<b>19697.8</b>
<b>Average Band D Council Tax - Adur District</b>	<b>274.27</b>	<b>278.38</b>
% increase	0%	1.5%



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CORPORATE AND CULTURAL SERVICES</b>		
Elections	159,440	191,500
Members' Expenses and Allowances	362,090	319,510
	<b>521,530</b>	<b>511,010</b>
<b>CHIEF EXECUTIVE</b>		
Corporate Management - Executive Office	<b>34,950</b>	<b>32,460</b>
<b>TOTAL LEADER PORTFOLIO</b>	<b>556,480</b>	<b>543,470</b>

# LEADER SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Corporate &amp; Cultural Services</b>											
Elections	159,440	1,030	32,000	-	-	-	-	-	-	(970)	191,500
Members Expenses & Allowances	362,090	3,770	-	-	-	-	-	-	(3,000)	(43,350)	319,510
	521,530	4,800	32,000	-	-	-	-	-	(3,000)	(44,320)	511,010
<b>Chief Executive</b>											
Corporate Management - Executive Office	34,950	100	-	-	-	-	-	-	-	(2,590)	32,460
<b>APPROVED ESTIMATE 2013/2014</b>	<b>556,480</b>	<b>4,900</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,000)</b>	<b>(46,910)</b>	<b>543,470</b>

# ADUR LEADER PORTFOLIO 2014/15 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Corporate &amp; Cultural Services</b>											
Elections	32,330	73,770	80	-	53,410	-	(3,160)	156,430	29,840	5,230	191,500
Members Expenses & Allowances	165,240	74,050	-	-	24,290	-	(15,860)	247,720	71,790	-	319,510
<b>Chief Executive</b>											
Corporate Management - Executive Office	-	9,840	-	-	-	-	-	9,840	22,620	-	32,460
	197,570	157,660	80	-	77,700	-	(19,020)	413,990	124,250	5,230	543,470
<b>Percentage of Direct Cost</b>	46%	36%	0%	0%	18%						

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
<b>CUSTOMER SERVICES &amp; WASTE MANAGEMENT</b>	<b>£</b>	<b>£</b>
Abandoned Vehicles	19,470	17,250
Refuse Collection	940,560	812,290
Recycling	38,530	(58,590)
Street Sweeping & Cleansing	560,480	577,260
Trade Refuse Collection	(53,190)	(78,660)
Clinical Waste Collection	12,440	12,650
Visual Quality Initiative	67,880	60,290
	<b>1,586,170</b>	<b>1,342,490</b>
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health - Domestic	320,460	295,810
Environmental Health - Commercial	85,700	84,930
Dog Warden	45,120	40,470
Pest Control	54,100	50,770
	<b>505,380</b>	<b>471,980</b>
<b>PLANNING, REGENERATION AND WELLBEING SERVICES</b>		
Streetscene	<b>64,750</b>	<b>64,890</b>
<b>TECHNICAL SERVICES</b>		
Allotments	55,630	60,600
Cemeteries & Churchyards	218,790	239,910
Parks	731,510	654,360
Recreation Grounds	0	90,430
Car Parks	(111,630)	(95,360)
Highways	21,160	23,550
Street Lighting	39,320	41,130
Transportation	63,590	59,690
Public Toilets	202,980	196,810
	<b>1,221,350</b>	<b>1,271,120</b>
<b>TOTAL CABINET MEMBER FOR ENVIRONMENT</b>	<b>3,377,650</b>	<b>3,150,480</b>

# ENVIRONMENT SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Technical Services</b>											
Allotments	55,630	-	-	-	-	-	(1,300)	-	-	6,270	60,600
Cemeteries & Churchyards	218,790	1,850	-	-	-	-	-	-	-	19,270	239,910
Parks	731,510	5,420	-	-	-	-	-	-	-	(82,570)	654,360
Recreation Grounds	-	1,770	-	-	-	-	-	-	-	88,660	90,430
Car Parks	(111,630)	(4,400)	-	-	-	-	-	-	(2,000)	22,670	(95,360)
Highways	21,160	180	-	-	-	-	-	-	-	2,210	23,550
Street Lighting	39,320	440	-	-	-	-	-	-	-	1,370	41,130
Transportation	63,590	760	-	-	-	-	-	-	(6,610)	1,950	59,690
Public Toilets	202,980	1,560	-	-	-	-	-	-	(3,160)	(4,570)	196,810
	1,221,350	7,580	-	-	-	-	(1,300)	-	(11,770)	55,260	1,271,120
<b>Planning Regeneration &amp; Wellbeing</b>											
Streetscene	64,750	20	-	-	-	-	-	-	-	120	64,890
<b>Recycling and Waste Management</b>											
Abandoned Vehicles	19,470	20	-	-	-	-	-	-	-	(2,240)	17,250
Refuse Collection	940,560	-	-	-	-	-	-	-	-	(128,270)	812,290
Recycling	38,530	-	-	-	-	-	-	-	-	(97,120)	(58,590)
Street Sweeping & Cleansing	560,480	(2,360)	-	-	-	-	-	-	-	19,140	577,260
Trade Refuse Collection	(53,190)	(5,590)	-	-	-	-	-	-	(15,000)	(4,880)	(78,660)
Clinical Waste Collection	12,440	-	-	-	-	-	-	-	-	210	12,650
Visual Quality Initiative	67,880	-	-	-	-	-	-	-	-	(7,590)	60,290
	1,586,170	(7,930)	-	-	-	-	-	-	(15,000)	(220,750)	1,342,490

# ENVIRONMENT SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Domestic	320,460	570	-	-	-	-	-	-	(16,600)	(8,620)	295,810
Environmental Health - Commercial	85,700	20	-	-	-	-	-	-	-	(790)	84,930
Dog Warden	45,120	-	-	-	-	-	-	-	-	(4,650)	40,470
Pest Control	54,100	-	-	-	-	-	-	-	-	(3,330)	50,770
	505,380	590	-	-	-	-	-	-	(16,600)	(17,390)	471,980
<b>APPROVED ESTIMATE 2013/2014</b>	<b>3,377,650</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300)</b>	<b>-</b>	<b>(43,370)</b>	<b>(182,760)</b>	<b>3,150,480</b>

# ADUR ENVIRONMENT PORTFOLIO 2014/15 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Technical Services</b>	£	£	£	£	£	£	£	£	£	£	£
Allotments	-	-	39,030	-	-	-	(39,510)	(480)	60,370	710	60,600
Cemeteries & Churchyards	-	71,920	255,200	-	-	-	(158,440)	168,680	56,230	15,000	239,910
Parks	-	43,220	315,980	-	29,830	-	(67,890)	321,140	242,430	90,790	654,360
Recreation Grounds	-	-	95,750	-	48,560	-	(53,880)	90,430	-	-	90,430
Car Parks	-	69,590	100,390	-	180,520	-	(507,790)	(157,290)	33,330	28,600	(95,360)
Highways	-	-	2,850	-	13,080	-	(6,560)	9,370	14,180	-	23,550
Street Lighting	-	-	11,980	-	10,060	-	-	22,040	9,350	9,740	41,130
Transportation	-	-	32,890	-	-	-	(980)	31,910	13,300	14,480	59,690
Public Toilets	-	-	79,680	-	120	63,480	(310)	142,970	33,240	20,600	196,810
<b>Planning Regeneration &amp; Wellbeing</b>											
Streetscene	-	9,910	50	380	38,150		(37,180)	11,310	8,690	44,890	64,890
<b>Recycling and Waste Management</b>											
Abandoned Vehicles	-	10,720		1,060		4,690		16,470	780		17,250
Refuse Collection	-	604,620						604,620	87,390	120,280	812,290
Recycling	-	(244,720)						(244,720)	104,190	81,940	(58,590)
Street Sweeping & Cleansing	-	606,180					(120,490)	485,690	55,940	35,630	577,260
Trade Refuse Collection	-	158,720			186,800		(486,990)	(141,470)	31,550	31,260	(78,660)
Clinical Waste Collection	-	(1,060)						(1,060)	13,710		12,650
Visual Quality Initiative	-	56,350						56,350	2,190	1,750	60,290
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Domestic	-				19,620	4,470	(10,930)	13,160	282,650		295,810
Environmental Health - Commercial	-	41,700			1,540		(650)	42,590	41,690	650	84,930
Dog Warden	-	38,330						38,330	1,030	1,110	40,470
Pest Control	-	33,300		-	-			33,300	16,640	830	50,770
	-	1,498,780	933,800	1,440	528,280	72,640	(1,491,600)	1,543,340	1,108,880	498,260	3,150,480
<b>Percentage of Direct Cost</b>	0%	49%	31%	0%	17%	2%					

# HEALTH AND WELLBEING PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>ADUR HOMES</b>		
Community Alarm	(112,430)	(34,230)
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health - Commercial	127,400	120,630
Community Safety	132,230	133,390
CCTV	16,140	11,980
Licensing	62,680	64,840
	<b>338,450</b>	<b>330,840</b>
<b>PLANNING, REGENERATION AND WELLBEING SERVICES</b>		
Community Planning	75,600	71,610
Community & Welfare Grants	318,730	310,640
Community & Health Development	105,750	62,560
Leisure Development	90,710	105,920
	<b>590,790</b>	<b>550,730</b>
<b>TECHNICAL SERVICES</b>		
Land Drainage & Coastal Protection	121,260	100,560
Sustainable Development	18,670	22,310
Beaches & Amenities	(7,860)	(1,470)
Emergency Planning	40,540	42,740
	<b>172,610</b>	<b>164,140</b>
<b>TOTAL HEALTH AND WELLBEING PORTFOLIO</b>	<b>989,420</b>	<b>1,011,480</b>



# HEALTH & WELLBEING SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Adur Homes</b>											
Community Alarm	(112,430)	(3,290)	-	60,000	-	-	-	-	-	21,490	(34,230)
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Commercial	127,400	220	-	-	-	-	-	-	(2,900)	(4,090)	120,630
Community Safety	132,230	330	-	-	-	-	-	-	-	830	133,390
CCTV	16,140	170	-	-	-	-	-	-	-	(4,330)	11,980
Licensing	62,680	(1,790)	-	-	-	-	-	-	-	3,950	64,840
	338,450	(1,070)	-	-	-	-	-	-	(2,900)	(3,640)	330,840
<b>Planning Regeneration &amp; Wellbeing</b>											
Community Planning	75,600	-	-	-	-	-	-	-	-	(3,990)	71,610
Community & Welfare Grants	318,730	-	-	-	-	-	-	-	(5,160)	(2,930)	310,640
Community & Health Development	105,750	250	-	-	-	-	-	-	-	(43,440)	62,560
Leisure Development	90,710	-	-	-	-	-	-	-	-	15,210	105,920
	590,790	250	-	-	-	-	-	-	(5,160)	(35,150)	550,730
<b>Technical Services</b>											
Land Drainage & Coast Protection	121,260	520	-	-	-	-	-	-	(5,000)	(16,220)	100,560
Sustainable Development	18,670	-	-	-	-	-	-	-	-	3,640	22,310
Beaches and Amenities	(7,860)	(920)	-	-	-	-	-	-	-	7,310	(1,470)
Emergency Planning (Misc)	40,540	-	-	-	-	-	-	-	-	2,200	42,740
	172,610	(400)	-	-	-	-	-	-	(5,000)	(3,070)	164,140
<b>APPROVED ESTIMATE 2013/2014</b>	<b>989,420</b>	<b>(4,510)</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,060)</b>	<b>(20,370)</b>	<b>1,011,480</b>

# ADUR HEALTH & WELLBEING PORTFOLIO 2013/14 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Adur Homes</b>											
Community Alarm	94,480	-	-	6,120	45,120	38,110	(259,380)	(75,550)	30,160	11,160	(34,230)
<b>Planning Regeneration &amp; Wellbeing</b>											
Community Planning	-	66,590	-	-	-	-	-	66,590	5,020	-	71,610
Community & Welfare Grants	-	67,650	-	-	229,820	-	-	297,470	13,170	-	310,640
Community & Health Development	17,980	31,760	-	-	-	-	-	49,740	12,820	-	62,560
Leisure Development	-	104,230	-	-	-	-	-	104,230	1,690	-	105,920
<b>Technical Services</b>											
Land Drainage & Coast Protection	-	-	9,240	-	11,970	-	-	21,210	57,160	22,190	100,560
Sustainable Development	-	22,310	-	-	-	-	-	22,310	-	-	22,310
Beaches & Amenities	-	-	16,500	-	8,260	-	(71,220)	(46,460)	35,360	9,630	(1,470)
Emergency Planning (Misc)	-	28,630	-	-	-	-	-	28,630	14,110	-	42,740
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Commercial	-	92,670	-	-	8,310	-	-	100,980	19,650	-	120,630
Community Safety	-	81,960	-	-	16,570	-	-	98,530	34,860	-	133,390
CCTV	-	1,860	1,240	-	7,780	-	-	10,880	1,100	-	11,980
Licensing	-	110,300	-	-	12,450	-	(102,900)	19,850	44,990	-	64,840
	112,460	607,960	26,980	6,120	340,280	38,110	(433,500)	698,410	270,090	42,980	1,011,480
<b>Percentage of Direct Cost</b>	10%	54%	2%	1%	30%	3%					

# CUSTOMER SERVICES PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CUSTOMER SERVICES AND WASTE MANAGEMENT</b>		
Collection of Revenues	394,690	454,580
Council Tax Benefits	(151,780)	16,870
Rent Allowances	247,880	139,500
	<b>490,790</b>	<b>610,950</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Leisure Centre Management	<b>568,410</b>	<b>568,980</b>
<b>TOTAL CUSTOMERS SERVICES PORTFOLIO</b>	<b>1,059,200</b>	<b>1,179,930</b>

# CUSTOMER SERVICES SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
<b>Customer Services &amp; Waste Management</b>	£	£	£	£	£	£	£	£	£	£	£
Collection of Revenues	394,690	7,110	-	-	-	-	-	-	-	52,780	454,580
Council Tax Benefits	(151,780)	1,910	-	122,730	-	-	-	-	-	44,010	16,870
Rent Allowances	247,880	410	-	(55,340)	-	-	-	-	(80,000)	26,550	139,500
	490,790	9,430	-	67,390	-	-	-	-	(80,000)	123,340	610,950
<b>Corporate &amp; Cultural Services</b>											
Leisure Centres Management	568,410	270	-	-	-	-	-	-	-	300	568,980
<b>APPROVED ESTIMATE 2013/2014</b>	<b>1,059,200</b>	<b>9,700</b>	<b>-</b>	<b>67,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(80,000)</b>	<b>123,640</b>	<b>1,179,930</b>

# ADUR CUSTOMER SERVICES PORTFOLIO 2014/15 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Customer Services &amp; Waste Management</b>											
Collection of Revenues	-	-	-	23,090	26,560	487,240	(243,890)	293,000	161,580	-	454,580
Council Tax Benefits	-	-	-	-	-	97,360	(156,380)	(59,020)	72,280	3,610	16,870
Rent Allowances	-	-	-	23,090	12,490	21,277,290	(21,303,910)	8,960	130,540	-	139,500
<b>Corporate &amp; Cultural Services</b>											
Leisure Centres Management	-	-	45,070	-	9,010	211,790	(21,830)	244,040	16,500	308,440	568,980
	-	-	45,070	46,180	48,060	22,073,680	(21,726,010)	486,980	380,900	312,050	1,179,930
<b>Percentage of Direct Cost</b>	0%	0%	32%	33%	34%						

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Housing General District	118,930	147,420
Homelessness	603,020	570,010
	<b>721,950</b>	<b>717,430</b>
<b>PLANNING, REGENERATION AND WELLBEING SERVICES</b>		
Building Control	162,990	138,550
Development Control	378,260	383,090
Planning Policy & Implementation	255,170	254,220
Economic Regeneration	220,800	238,030
	<b>1,017,220</b>	<b>1,013,890</b>
<b>ADUR HOMES</b>		
Drain Clearing	(40)	(70)
Homelessness	64,460	72,840
	<b>64,420</b>	<b>72,770</b>
<b>TOTAL REGENERATION PORTFOLIO</b>	<b>1,803,590</b>	<b>1,804,090</b>

# REGENERATION SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Housing Health &amp; Community Safety</b>											
Housing General District	118,930	(570)	-	3,290	-	-	-	-	(6,250)	32,020	147,420
Homelessness - General	603,020	3,720	-	-	-	-	-	-	-	(36,730)	570,010
	721,950	3,150	-	3,290	-	-	-	-	(6,250)	(4,710)	717,430
<b>Planning Regeneration &amp; Wellbeing</b>											
Building Control	162,990	(3,000)	-	-	-	-	-	-	-	(21,440)	138,550
Development Control	378,260	(3,950)	-	-	-	-	-	-	-	8,780	383,090
Planning Policy & Implementation	255,170	1,200	-	-	-	-	-	-	(1,800)	(350)	254,220
Economic Regeneration	220,800	610	-	-	-	-	-	-	(1,000)	17,620	238,030
	1,017,220	(5,140)	-	-	-	-	-	-	(2,800)	4,610	1,013,890
<b>Adur Homes</b>											
Drain Clearing	(40)	(30)	-	-	-	-	-	-	-	-	(70)
Homelessness - Leasehold	64,460	540	-	-	-	-	-	-	-	7,840	72,840
			-	-	-	-	-	-	-		72,770
<b>APPROVED ESTIMATE 2013/2014</b>	<b>1,739,170</b>	<b>(1,990)</b>	<b>-</b>	<b>3,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,050)</b>	<b>(100)</b>	<b>1,804,090</b>

# ADUR REGENERATION PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Housing Health &amp; Community Safety</b>											
Housing General District	-	114,430	-	-	-	1,060	(31,820)	83,670	63,750	-	147,420
Homelessness - General	-	248,220	-	-	307,460	-	(117,710)	437,970	131,240	800	570,010
<b>Planning Regeneration &amp; Wellbeing</b>											
Building Control	-	273,740	-	-	-	-	(152,930)	120,810	17,740	-	138,550
Development Control	-	496,170	-	-	8,010	-	(209,570)	294,610	88,480	-	383,090
Planning Policy & Implementation	84,820	14,870	-	-	16,520	-	(83,150)	33,060	221,160	-	254,220
Economic Regeneration	-	165,930	-	-	45,810	-	-	211,740	26,290	-	238,030
<b>Adur Homes</b>											
Drain Clearing	-	-	-	-	-	-	(1,360)	(1,360)	-	1,290	(70)
Homelessness - Leasehold	26,190	-	464,170	410	510	-	(466,540)	24,740	48,100	-	72,840
	111,010	1,313,360	464,170	410	378,310	1,060	(1,063,080)	1,205,240	596,760	2,090	1,804,090
<b>Percentage of Direct Cost</b>	5%	58%	20%	0%	17%	0%					



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>FINANCIAL SERVICES</b>		
Corporate Management	849,790	552,470
Miscellaneous	(226,310)	(241,630)
Non-Distributed Costs	941,840	943,830
Treasury Management	603,240	668,420
	<b>2,168,560</b>	<b>1,923,090</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Local Land Charges	8,840	4,830
	<b>8,840</b>	<b>4,830</b>
<b>TECHNICAL SERVICES</b>		
Community Buildings	283,500	309,870
Property Management	(215,830)	(216,370)
Grounds Maintenance	17,210	-
	<b>84,880</b>	<b>93,500</b>
<b>ADUR HOMES</b>		
Building Maintenance	(145,620)	(90,580)
	<b>(145,620)</b>	<b>(90,580)</b>
<b>TOTAL RESOURCES PORTFOLIO</b>	<b>2,116,660</b>	<b>1,930,840</b>

# RESOURCES SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Financial Services</b>											
Corporate Management	849,790	5,160	-	-	-	-	-	(52,000)	-	(250,480)	552,470
Miscellaneous	(226,310)	(4,230)	-	-	-	-	-	-	(11,090)	-	(241,630)
Non-Distributed Costs	941,840	1,460	-	66,000	(40,000)	-	-	-	(22,000)	(3,470)	943,830
Treasury Management	603,240	-	-	-	-	-	(104,000)	81,000	-	88,180	668,420
	2,168,560	2,390	-	66,000	(40,000)	-	(104,000)	29,000	(33,090)	(165,770)	1,923,090
<b>Corporate And Cultural Services</b>											
Local Land Charges	8,840	(1,270)	-	-	-	-	-	-	-	(2,740)	4,830
<b>Technical Services</b>											
Community Buildings	283,500	1,230	-	7,000	-	-	-	-	-	18,140	309,870
Property Management	(215,830)	(9,690)	-	-	-	-	-	-	(440)	9,590	(216,370)
Grounds Maintenance	17,210	-	-	-	-	-	-	-	-	(17,210)	-
	84,880	(8,460)	-	7,000	-	-	-	-	(440)	10,520	93,500
<b>Adur Homes</b>											
Building Maintenance	(145,620)	10,200	-	-	-	-	(3,150)	-	(45,000)	92,990	(90,580)
<b>APPROVED ESTIMATE 2013/2014</b>	<b>2,116,660</b>	<b>2,860</b>	<b>-</b>	<b>73,000</b>	<b>(40,000)</b>	<b>-</b>	<b>(107,150)</b>	<b>29,000</b>	<b>(78,530)</b>	<b>(65,000)</b>	<b>1,930,840</b>

# ADUR RESOURCES PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Financial Services</b>											
Corporate Management	2,530	436,920	114,630		172,670	14,000	(401,850)	338,900	229,760	(16,190)	552,470
Miscellaneous					(240,480)	14,340	(15,490)	(241,630)			(241,630)
Non-Distributed Costs	1,244,730						(300,890)	943,840	(10)		943,830
Treasury Management							(242,110)	(242,110)	46,290	864,240	668,420
<b>Corporate &amp; Cultural Services</b>											
Local Land Charges		59,290			18,750		(83,730)	(5,690)	10,520		4,830
<b>Technical Services</b>											
Community Buildings			77,270		3,930			81,200	75,270	153,400	309,870
Property Management	3,920		91,580		14,160		(590,850)	(481,190)	264,820		(216,370)
Grounds Maintenance								-		-	-
<b>Adur Homes</b>											
Building Maintenance	457,400		54,130		407,820		(1,144,650)	(225,300)	118,020	16,700	(90,580)
	1,708,580	496,210	337,610	-	376,850	28,340	(2,779,570)	168,020	744,670	1,018,150	1,930,840
<b>Percentage of Direct Cost</b>	58%	17%	11%	0%	13%	1%					