



Communities Directorate

11 July 2014

Joint Strategic Committee

Date: 22 July 2014

Time: 6:30pm

Venue: Gordon Room, Town Hall, Worthing

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

Worthing Cabinet: Councillors Paul Yallop (Leader), Bryan Turner (Deputy Leader), Daniel Humphreys, Mary Lermite, Clive Roberts and Val Turner

Agenda

Part A

1. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

2. Minutes

To approve the minutes of the Joint Strategic Committee meeting held on 24th June 2014, copies of which have been previously circulated.

3. Public Question Time

To receive any questions from members of the public.

4. Items Raised Under Urgency Provisions

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

5. “Catching the Wave” - A progress update on organisational change

To consider a report from the Chief Executive, a copy is attached as item 5.

6. Outline Forecast 2015-16 to 2019-20 and Budget Strategy

To consider a report from the Director for Digital and Resources, a copy is attached as item 6.

7. Capital Strategy 2014/17

To consider a report from the Director for Digital and Resources, a copy is attached as item 7.

8. ICT Position Statement

To consider a report from the Director for Digital and Resources, a copy is attached as item 8.

9. Arrangements for the Enforcement of Unlawful Encampments

To consider a report from the Director for Communities, a copy is attached as item 9.

10. Events Co-ordinator Post

To consider a report from the Director for the Economy, a copy is attached as item 10.

11. Localising Support for Council Tax in England

To consider a report from the Director for Customer Services, a copy is attached as item 11.

12. Building Services Invest to Save Procurement of Vehicles

To consider a report from the Director for Communities, a copy is attached as item 12.

13. Lower Beach Road Car Park and Ferry Road Enhancement Project

To consider a report from the Director for the Economy, a copy is attached as item 13.

14. Preferred location for the provision of an Artificial Grass Pitch (AGP) in Adur

To consider a report from the Director for the Economy, a copy is attached as item 14.

15. Adur's Pot of Gold 2015

To consider a report from the Director for Communities, a copy is attached as item 15.

16. Worthing's The Money Tree 2015

To consider a report from the Director for Communities, a copy is attached as item 16.

17. Worthing Borough Council MSCP Off-Street Parking Charges

To consider a report from the Director for the Economy, a copy is attached as item 17.

18. Worthing Planning Policy Review - Housing

To consider a report from the Director for the Economy, a copy is attached as item 18.

19. Decoy Farm Contaminated Land Survey

To consider a report from the Director for the Economy, a copy is attached as item 19.

Part B - Not for Publication – Exempt Information Reports

None.

For Democratic Services enquiries relating to this meeting please contact:

Neil Terry
Senior Democratic Services Officer
01903 221073
neil.terry@adur-worthing.gov.uk

For Legal Services enquiries relating to this meeting please contact:

Susan Sale
Solicitor to the Council
01903 221119
susan.sale@adur-worthing.gov.uk

The agenda and reports are available on the Councils website, please visit www.adur-worthing.gov.uk

Ward: All

“Catching the Wave” – A progress update on organisational change

Report by the Chief Executive

1.0 Summary

- 1.1 In January 2014 Members approved a series of organisational changes to enable the Councils to seize opportunities presenting to them. The endorsed approach was set out in a document “Catching the Wave” (appended for ease of reference at Appendix A).
- 1.2 This report updates Members on work undertaken over the last six months (January-June 2014), details progress made, challenges faced, identifies some of the lessons learnt and recommends further changes in the light of the experience to date. It also highlights in outline the next phase of organisational change activity required.
- 1.3 The report seeks from Members to note and comment upon work undertaken and to agree the creation of a new role of Head of Organisational Development to design, deliver and evaluate the next phase of learning, development and cultural change work required to ensure the Councils can become the adaptive organisation required.

2.0 Background

- 2.1 The Chief Executive took up his role in September 2013 and spent the first few months in a system-wide series of conversations with a variety of stakeholders (communities, businesses, partners, Members, staff etc.) to understand what they felt about the positions of both Councils and what was needed next. The outcome of those conversations forms the basis of “Catching the Wave”, an organisational change and development programme which identified three main “wave catchers”

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming adaptive Councils

These wave catchers now provide a focus for policy, change and operation.

3.0 The Catching the Wave Programme Board

- 3.1 In January 2014 Full Council meetings of both Worthing and Adur unanimously agreed the report and a set of “first stage” changes. These in particular focussed upon the need to create the leadership capacity in the organisation to take forward the ambitious agenda set out, lead people and services, and to be able to work at pace whilst ensuring our long term organisational health was not compromised and that essential external relationships were sustained and developed.
- 3.2 Members were advised that a Catching the Wave Programme Board was to be created. The Board consisted of 10 individuals drawn from across the organisation at different levels of seniority, experience and from very different functional backgrounds. All shared an enthusiasm and energy for improving the organisation. The Programme Board was chaired by the Chief Executive and has over the past 6 months designed, delivered and overseen a wide ranging series of changes set out in this report.

This approach (whilst initially counter-cultural) has enabled us to:-

- Progress rapidly
- Build skills, confidence, learning and capacity in designing and delivering change across the organisation
- Minimise expenditure on external consultancy support
- Test whether a time limited Programme Board approach can be an effective vehicle for organisational change and delivery

- 3.3 The Programme Board has had five strands of focus:-

1. Organisational structures and processes
2. Operating systems
3. Communications
4. Partnerships
5. Organisational development

All five strands have been co-ordinated by the Programme Board to ensure that a variety of change interventions do not “trip over” each other; that key stakeholders are not confused; to ensure a cohesive and sustainable set of changes and to learn important lessons from the approach.

- 3.4 The Programme Board was time limited and held its last meeting and evaluation session in mid-June 2014. Whilst as this report sets out there are considerable areas still to progress, it is now considered that with a permanent Council Leadership Team (CLT) in place, that team should collectively own and drive the change activity (with sub-groups where required working with them). One of our key learning points from the Programme Board approach is that it is desirable to end them at the appropriate time rather than continuing to meet once the identified set of tasks and activities have been delivered.
- 3.5 Our overall assessment has been that we have made considerable progress in a relatively short space of time; that many of the changes have gained traction across the organisation; that we have developed our thinking for the longer term and proved that Programme Boards can be a useful vehicle (if well led, participative and

focussed on outcomes and delivery) rather than “getting stuck on the mediation of different interests”. The evaluation of the first phase of the programme recognised that we could have done more to gain the active involvement of as many staff as possible; that our communication channels were not always as effective or as appropriate as we hoped and that one of the potential down sides of using programme boards is that it can create a sense of “in and out” groups. All of these are useful organisational learnings, though our evaluation suggested that none of them substantially impeded the progress made.

4.0 Progress Update – The 5 Workstreams

4.1 Structures Workstream (led by Steve Spinner)

4.1.1 The primary role of this workstream was to quickly and efficiently bring about the creation of a new Councils Leadership Team by defining the new Director roles approved by both Councils, engaging with external search and selection consultants (SOLACE) and to conduct a rigorous Member led external recruitment process for the 4 new Directors

4.1.2 Interviews for the new Director roles were held in March leading to the recruitment of:-

- Jane Eckford – Director for Customer Service (started 30th June 2014)
- Scott Marshall – Director for the Economy (started 2nd June 2014)
- Paul Brewer – Director for Digital & Resources (started 6th May 2014)
- John Mitchell – Director for Communities (transitioned to new role from 1st April 2014)

4.1.3 The workstream also supported the recruitment of the new Head of Communication (Neil Hopkins who took up his role on 12th May 2014).

4.1.4 Over the last few months the organisation has seen the departures of several members of the previous management team including Andrew Gardiner, Paul Spedding, Bill Parsons and Jeremy Cook all of whom were thanked both for their many years of dedicated service to Adur & Worthing and also for the mature way they handled their transitions out of the organisation and helped others arrive and pick up new roles.

4.1.5 The new Council Leadership Team (CLT) has been in place since early July and the Chief Executive is investing time and energy into ensuring that we create a Team of Directors that can both lead and champion in their respective areas and share collective leadership for the whole. The development of appropriate leadership styles, relationships with Members, external partners, etc. will be critical to this.

4.1.6 Each of the new senior staff arriving have received a carefully designed induction programme providing them the “hard data” and “soft intelligence” that they need to understand their roles quickly and to become effective leaders.

4.2 **Operating Systems Workstream** (led by Kevin Masters)

4.2.1 This workstream has for the past 6 months sought to ensure that our approach to “getting business done” was not held back by unhelpful and unnecessary bureaucracy and that decisions could be made at pace without compromising quality of decision making. Paradoxically whilst seeking to free up decision making we have also started to add rigour to performance management and accountability of systems. The work stream was headed by Kevin Masters who has now taken up his role as Head of Productivity and Innovation.

4.2.2 The workstream had a number of strands including:-

- Developing an approach to Strategic Commissioning. Appendix B to this report sets out the proposed approach to commissioning for the Councils. In précis this is about ensuring that when we make significant decisions we have used all the intelligence at our disposal; brought to play all resources that might be available across our communities and that we have thought carefully about service redesign or de-commissioning to provide the best solutions. We intend to ensure that our commissioning approach moves from one of simply “procurement first” (i.e. a focus almost exclusively on immediate “one offs” price/cost) to one where we use our spending and commissioning influence (and that of partners where appropriate) to also support the long term health of the financial and social economies of our areas.
- Business and Service Planning. The workstream has developed a stronger approach to financial and service planning over the medium term. Whilst both Councils have established approaches to annual budgeting and service planning there were areas of concern around the integration of those plans, how they supported innovation, how they could react to emerging in-year need and how they fitted with a desire to have a stronger Medium Term Financial Strategy. This work has been supported by colleagues in Financial Services and has been supplemented by a renewed emphasis on ensuring that in-year variances (for both revenue and capital budgets) are more closely managed than has on occasions been the case.
- Constitutional Review. Over the last 6 months Jeremy Cook has led a group of staff and Members working on a review of the constitutions of both Councils. In essence this has involved looking at some of the “best in breed” constitutions for District and Borough Councils, understanding from Members those issues in the constitutions that are of most concern to them and then drafting revised constitutions for consideration by Joint Governance and Audit Committee and both Full Councils.
- Performance Management. With the lifting (around 3 years ago) of the much criticised National Performance Indicator Framework both Councils had been working with greatly reduced performance data that has meant the old Management Team have had, at times, insufficient data to be able to ensure the strongest stewardship of the organisation. Work has been on-going to develop a mature set of performance data that managers need to lead the business at all levels and to develop a performance dashboard for the Councils Leadership Team. This work is still progressing (and the arrival of the new Directors will add to the approach) with the aim of developing an open and transparent

performance data set that will enable officers and Councillors to jointly ensure oversight, accountability and confidence in service and financial performance. It is our intention in the medium term to make these data sets open to the public to provide not just an opportunity to comment or challenge but also to help design further service changes.

- Systems Thinking. *Catching the Wave* is partly about taking a new more holistic (whole system) approach to becoming adaptive Councils, and there are some well-established techniques that we can exploit to achieve that aim. For example, Lean Thinking focuses on the elimination of waste through continuous incremental improvement, and it has been hugely beneficial in terms of reducing non-value work and improving communication and cohesion in the Customer Services Department since it was introduced there in 2008. Consequently, since January 2014, the potential benefits of Lean have been introduced into other service areas including Theatres, Surveying and Design, and Accountancy. Design Thinking, on the other hand, looks at the entire system with a view to redefining the problem and redesigning the solution 'from the ground up'. The Councils have recently secured a place on the Design Council's Design Leadership Programme, the cost of which is subsidised by the Department for Business Innovation and Skills, and a half-day workshop is being arranged to introduce key staff to Design and its role as a framework for innovation.

4.3 **Communications Workstream** (led by Amanda O'Reilly)

4.3.1 This workstream over the last six months has been focussing on ensuring the messages of *Catching the Wave* have been communicated to the public, our partners and to our staff.

4.3.2 Internally, this has seen amongst other channels:-

- Several "Leadership Exchange" sessions where we have brought together our most senior 120 managers across the organisation to hear directly from the Chief Executive, the Leaders and others our ambitions and approaches for the future.
- "Staff Exchanges" where a dialogue with staff across the organisation was begun and encouragement provided to contribute and participate in the change agenda.
- The Chief Executive visiting every team across the Councils to talk to and hear from staff about "hot issues", to explain the rationale for change and capture ideas.
- Extensive use of the intranet to update on progress across the *Catching the Wave* agenda.

4.3.3 Externally we have:-

- The Chief Executive (and others) have spoken to all of our key strategic partners on *Catching the Wave* and in certain key areas designed how we will co-operate.
- The principles of *Catching the Wave* have been introduced to a number of our most significant partnerships (for example the Waves Ahead Local Strategic Partnership which this Autumn will focus its annual conference on "Enterprising Communities").

- As importantly we have been seeking to show through our actions that “change is afoot” (recognising that we have had some success in this but there remains more work to do).
- As we have made changes we have ensured that local partners and Trades Unions have been informed and had the opportunity to comment, co-design or raise concerns
- The Chief Executive and Leaders have talked to a number of print, radio and other media about Catching the Wave and our future ambitions.
- A series of 10 articles were published in the Herald newspaper on the “faces of the Council” – focussing on the real people behind some of the roles we perform.

4.3.4 With the arrival of Neil Hopkins as our new Head of Communications this workstream has now been taken up as part of his role and he will be developing both external and internal communication channels to support the on-going change and development work.

4.4 **Partnership Workstream** (led by John Mitchell)

4.4.1 This workstream set out to identify the partnerships that the Councils are currently engaged in, map and evaluate their effectiveness, determine where there are gaps and identify what if any partnerships may have reached the end of their “shelf life”. The workstream identified around 300 partnerships, several areas where more or different partnership activity is required (e.g. financial inclusion) and several where existing partnership activity has probably now reached the end of its useful life. This programme of activity will now become part of the substantive role of John Mitchell as Director of Communities.

4.5 **Organisational Development Workstream** (led by Gill Frost)

4.5.1 This covered an area of work that was identified by Members when approving the Catching the Wave proposals as requiring time and energy. It seeks to ensure that all staff are informed, engaged, skilled and take responsibility for their own learning and development to bring about the organisational changes required. In short, to develop an organisational culture that is fit for purpose. This has historically been an area of under-investment for the Councils (both in time and finance) and was also identified by staff as an area requiring real attention. Over the last 6 months we have therefore:-

- Developed the approach of “Leadership Exchanges” (bi-monthly sessions for Managers and Leaders to meet, hear key news items, contribute their views to hot issues, learn from leaders of other organisations in the Adur and Worthing system and build important networks).
- Established “Staff Exchanges” (an open invitation to all staff on a quarterly basis to hear important developments across Adur and Worthing, ask questions and contribute their thoughts to our on-going work).
- Run “Brown Bag Lunches” (informal lunch-time learning sessions with individual staff members taking responsibility for running a session for their peers).

- Delivered a Customer Service Conference (focussing on the importance of customer services ... and how getting it right can be incredibly powerful for our customers and staff)
- Trialled “Innovation Circles” (testing a methodology for creating, developing and implementing innovations designed by our own staff).
- Introduction of a mentoring programme (a cost effective way of developing our leaders of the future and building leadership skills across the organisation).
- Revisiting our volunteering offer to ensure that our current policy and approach can meet the expectations of Catching the Wave.
- Revising our induction process (to ensure that staff coming in new to the organisation rapidly get the information they require to become effective in their roles).
- Delivered community engagement and service re-design methodology workshops.
- Started work on developing a broader leadership and management development approach.
- Started planning a talent management offer for the organisations.
- Reviewed our existing expenditure on training and development to ensure that we are maximising the value we get and seeking to ensure we use it become a learning organisation.
- Identified certain key skills and cultural “gaps” (e.g. digital, service design, project management and commercial business planning) where we have sizeable organisational needs that we will address over the next 6-12 months.

4.5.2 This has been a significant programme of work, has been designed and delivered “in-house” (thus avoiding considerable potential expenditure on external consultancy support) and has for the most part been received well. The Chief Executive has played an active role in developing the agenda and the delivery of several elements of it and the new CLT (and the broader cohort of senior managers) will continue to be heavily involved in ensuring we provide the learning, development and cultural interventions required.

4.5.3 To take forward the agenda over the medium term it is now necessary to create a new role of Head of Organisational Development reporting directly to the Chief Executive (though not at Director level). This role will have similar parity to the Head of Communications and the Head of Productivity and Innovation in that it will be driving cross organisational issues. It will head a small team (two other staff, currently involved in commissioning and delivery of training and development across the organisations). In the view of the Chief Executive there are several internal candidates who might be well suited to this as a significant development step for them and who have the ability to quickly pick up and deliver the role well. It is intended therefore to advertise internally first and, only if it cannot be so filled, to seek external candidates. This would have the advantage not just of providing a development opportunity for an existing member of staff, but also ensuring that the person taking up the role does so with some degree of understanding of the history and culture of Adur and Worthing Councils and thus the opportunities and challenges faced. This will mean they can be effective in role more quickly and rapidly help shape cultural change moving forward. If no such applications are received then we will need to advertise externally.

4.5.4 At the time of writing this report the role is to be job evaluated but anticipated in the region of £40,000-£45,000 p.a. salary and to be initially for a 2 year period,

reviewing at the end of that period whether it is required in that precise way thereafter.

- 4.5.5 The role will be funded partly from the existing Learning and Development budget (given that it will be delivering hands-on development work) and partly from the HRA given the sizeable identified need for learning and development interventions in Adur Homes (to support the work of the newly appointed Head of Adur Homes) and Director for Communities. It will therefore not require “new money” but will be a reallocation of the salary plus on-costs from existing learning and development expenditure. Given the real possibility of internal recruitment there may well be the opportunity to take further savings from any post vacated.

5.0 Next Steps

- 5.1 At page 25 of the Catching the Wave document we set out “where we will start” and we have made progress in each of these areas (recognising in several there is plenty more to do). Following the recent local elections we can also revisit the “working with Members” section as part of our Democratic Services and Communities agenda.

- 5.2 Over the next six to twelve months we will be focussing attention on:-

- Each of the new Directors looking carefully at the requirements on their teams and their operating environments and determining precisely what is needed to best deliver their agendas. This assessment will be undertaken with the knowledge of the likely savings targets for 2015/16. Where necessary in Autumn 2014 those Directors will be bringing forward any recommendations for change to structures, operating systems, cultures etc. with a view to rapidly implementing those changes by the end of the calendar year. Each of those new Directors will be also building relationships with key Members, strategic partners and relevant business, community and voluntary organisations to ensure that they have the required support in place.
- As part of both our annual budget and service planning and our Medium Term Financial Strategy building, we will be considering how best to meet the policy aspirations of the Councils as set out in Catching the Wave.
- Of the three Wave Catchers identified several of the key areas for early attention are likely to be as follows:-

Supporting our Wealth Generators

- How we deliver major infrastructure projects and getting key sites to the the investor market
- Reviewing our local and regional visitor economy offer
- Determining a long term strategy for parking
- Ensuring we have the land planning infra-structure required to best enable growth and inward investment where we need it and to balance appropriately with other needs
- Developing our cultural economy
- Ensuring we are best placed for inward investment, Local Economic Partnership investment and European funding

Cultivating Enterprising Communities

- Spinning out a substantial social enterprise from the Worthing Leisure offer.
- Supporting, challenging and developing the Community and Voluntary sector infrastructure.
- Advancing community engagement and community participation and community ownership in a variety of service areas
- Encouraging community development through housing, including a more targeted approach to housing delivery within Adur Homes.
- Increasing our skills at commissioning (and being commissioned) to enable us to support and sustain a dynamic and healthy Community and Voluntary sector and meet identified needs
- Ensuring that our Democratic Services team act as an important bridge and conduit between Members, the communities they serve and the Councils as a whole and investing in the role of Members as Community Leaders.

Becoming Adaptive Councils

- Ensuring our existing IS/IT/telephony infrastructure is stable and fit for purpose.
- Designing our future digital roadmap.
- Ensuring our customer services remain cost effective, well targeted and are meeting our customers needs.
- That our service and business planning becomes stronger, that we develop a more robust cultural of performance management and that we use our assets to generate revenues as well as provide services.
- That we identify “commercial projects” that enable the Councils to generate long term income streams to supplement reducing RSG.
- That we take opportunities to partner with others in the innovative provision of services.
- That we embrace design principles and stronger project management methodology to support our change activity.
- To ensure that our important internal support services can operate at high quality and with pace and agility to meet on-going service needs.

6.0 And finally

- 6.1 This report has sought to update Members on a wide range of activities designed to help shift our organisation and its approach to the modern public service organisation Members, customers, partners and staff wish us to become. It reports on the first steps of that approach (which is far from complete) and identifies some of the key change activity we will to work upon over the next 6-12 months.
- 6.2 Whilst the paper suggests progress has been made, the key test of this will be how our communities and partners believe we have changed and improved in both service delivery and our openness and responsiveness to innovation and joint working. The views of JSC are sought in terms of their personal perspectives (and those of others with whom they talk) as to what progress has been made.

7.0 Legal

- 7.1 Section 112 Local Government Act 1972 provides Local Authorities with the power to appoint Officers on whatever terms it thinks fit.
- 7.2 Section 111 Local Government Act 1972 provides Local Authorities with the power to do anything ancillary or incidental to the discharge of their functions, which would include the organisation of its staff resources.
- 7.3 Section 4(2) Local Government & Housing Act 1989 states that it shall be the duty of the Head of Paid Service, where he considers it appropriate to do so in respect of any proposals of his, with respect to any of the matters specified below, to prepare a report to the Authority setting out his proposals. The matters specified include:
- the manner in which the discharge by the Authority of their different functions is to be coordinated;
 - the number and grades of staff required by the Authority for the discharge of their functions;
 - the organisation of the Authority's staff; and
 - the appointment and proper management of the Authority's staff.

8.0 Financial implications

- 8.1 As Paragraph 1.2 explains, this report asks Members to agree the creation of a new role of Head of Organisational Development, to design, deliver and evaluate the next phase of learning, development and cultural change work required to ensure the Councils can become the adaptive organisation we require. It is proposed that this post is Grade 10, which currently totals between £56,000 and £61,800 (including employers NI and employers pension contributions). At current pay levels, assuming incremental progression, salary costs for this post would be

Grade	Spinal Column Point	Basic Pay	Employer NI Contribution	Employer Pension Contribution	Total Pay
10	51	£ 44,325	£ 3,838	£ 7,846	£ 56,009

This post will be funded pro rata to the time spent. The initial budget will be approximately 25% from Adur Homes and the balance from the Organisational Development budget. It is anticipated that Adur Homes may pick up to 40% in the future. For the first year a virement of £42,000 will be required from the Learning & Development budget and a virement of £14,000 from the Adur Homes budget.

9.0 Recommendation

- 9.1 The Joint Strategic Committee is recommended to:-
- Note and comment upon progress in the Catching the Wave programme for the period January-June 2014.
 - To agree the creation of the new role of Head of Organisational Development

- as set out in the paper
- Authorise the Chief Executive and the Councils Leadership Team to take forward the next set of organisational changes reporting back to Members of JSC on progress in a further 6 months time.
 - Approve an initial virement of £42,000 from the Learning & Development budget and £14,000 from the Adur Homes budget to the Organisation Development salary budget.

Local Government Act 1972

Background Papers: Appendices to this substantive report

Contact Officer:

Alex Bailey
Chief Executive
Town Hall, Worthing BN11 1HA
01903 221001
alex.bailey@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 Catching the Wave seeks to build upon and further develop the 4 council priorities set early in 2013. It specifically ensures that the economy, our communities and our Councils are developed in a cohesive way.

2.0 Specific Action Plans

- 2.1 Are as set out in Catching the Wave (attached as Appendix A)

3.0 Sustainability Issues

- 3.1 There are no specific environmental sustainability issues arising from the report. However the proposals set out are very much about organisational sustainability and how we ensure that Councils grow and thrive as community leaders over the medium term.

4.0 Equality Issues

- 4.1 Again none specific to this report, save that the Councils existing Equality and Diversity approaches will be applied (and enhanced) to ensure the widest possible pool of talents can be considered in the recruitment process. The 3 Wave Catchers are designed to benefit all sectors of the communities of Adur and Worthing.

5.0 Community Safety Issues (Section 17)

- 5.1 None specific to this report.

6.0 Human Rights Issues

- 6.1 None specific to this report.

7.0 Reputation

- 7.1 There will be a sizeable amount of engagement and communication with a number of external stakeholders and our communities themselves over the next few years. This will enhance our reputation as community leaders.

8.0 Consultations

- 8.1 The Catching the Wave document itself is the product of well over 400 conversations with Members, external stakeholders, staff etc. Any proposed structural change resulting from the "Phase 2" assessment of the new Directors will be subject to the proper consultation with all staff affected, the project of which will be carefully considered before taking forward any final proposals.

9.0 Risk Assessment

- 9.1 As set out in Catching the Wave, perhaps the biggest risk to Adur and Worthing Councils (and the communities we serve) is to do nothing at a time when the

economy is moving into a different phase and our Councils financial base is reducing. Seizing the opportunities that will come about, leading our communities and continuing to develop our organisation to be able to adapt rapidly to environmental changes are the most significant ways of reducing the impact of this risk. In reality it is about seizing opportunity not ameliorating risk.

10.0 Health & Safety Issues

10.1 None specific to this report.

11.0 Procurement Strategy

11.1 None specific to this report, though as will be seen from Catching the Wave an enhanced strategic procurement (and commissioning) approach will be vital for the future success of our organisation.

12.0 Partnership Working

12.1 A number of partners have been engaged in conversations that have led to Catching the Wave and are keen to work with the Councils moving forward.

Catching the Wave ...

(or caught in the backwash?)



Alex Bailey – 12th December 2013
Chief Executive: Adur & Worthing Councils

Introduction

In this paper, I lay out my ideas about how we (as Councils) need to act differently in Adur and Worthing so that our places can catch the wave of potential growth that is about to wash through us – to generate wealth, to help all our communities become more enterprising and to enable more deprived areas to lift themselves out of dependence.

In order to do that, we need our Councils to operate as institutions in a completely new way – to become adaptable and entrepreneurial ourselves, so that we act as oxygen to growth rather than smothering initiative with bureaucracy and stasis.

This paper is not intended to be a complete and balanced analysis of everything our Councils are doing. There is much we are doing well and of which we can be proud. It is intended to provide focus on what we should be doing over the short and medium term. It is perhaps not the type of document that Adur and Worthing Councils are used to It looks at the Councils from the outside in, not the inside out.

Over my first few months as Chief Executive, I have set out to listen,

understand, question and absorb the place, the communities and the Councils of Adur & Worthing. I have enjoyed well over 400 conversations with a variety of people, listening to people telling their stories of the past, the present and their aspirations for the future. Those conversations have helped me to make sense of the place and to understand how Adur & Worthing Councils might best lead their communities forward to future prosperity, drawing on lessons from a successful past.

So, the ideas in this paper don't just come out of nowhere – they are the synthesis of the ideas and stories of the people I have met, walking each of the 27 wards in Adur and Worthing, talking to elected representatives, community leaders, businesses, the community and voluntary sector, statutory partners, our staff, central government, other Local Authorities in Sussex and beyond. This is not just my story - it is a story of our communities, our places, our people and our future prosperity.

Those conversations have taken me from the corridors of Whitehall to the stairwells of Fishersgate and this is what they have told me...

Catching The Wave

It's always tempting for a new Chief Executive to think they need to 'bring in a new broom' but I think there is a much more compelling reason for acting right now to rethink ourselves and change how we operate. The Leaders of the Council and I believe that we have a window to catch an 'economic wave' - or we can just watch it roll by, lifting other communities and places around us but leaving us quietly becalmed in our old ways of operating.

This 'wave' is a combination of a number of factors :

- the recovery of the national economy
- the rapid growth in certain sectors of industry
- a multitude of businesses looking for places to relocate and invest
- a local demographic shift as young families and empty nesters move South or East along the coast toward us, looking for better priced properties, new places to work and start businesses and a safe and pleasant place to raise their families.
- The public sector spending squeeze (with a paradoxical investment in Education and

Further Education) changing the way we do business with our partners.

There is no doubt that we are at a critical moment in the economic cycle. Most serious economic commentators suggest that the economy is likely to be growing or, at worst, 'benign' over the medium term. We know that, for a number of our key sites and projects, this is an ideal time in the cycle to take those opportunities to market to seek investment and delivery partners.

Wave catchers

If we want to catch this wave, we need three *wave catchers* – three areas of concentrated focus – ideas that allow us to bring together skills from right across the spectrum to do the things we need to do to move our places on.

The three focus areas are :

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming an adaptive council.

As Councils, we need a set of enhanced or even new ways of operating to make our focus count and to become fully adaptive:

- Supplying or commissioning efficient, effective public services and solutions
- Providing the “Commons” to help our wealth generators
- Becoming Civic Social Entrepreneurs to support our enterprising communities
- Demonstrating that we are confident and capable leaders of our places

And can we catch this wave?

As Councils, we got ourselves on the front foot six years ago, in a difficult environment, by merging services and consolidating our organisations. Now, we need to get on that foot again by rethinking our role, how we do business and how we serve our places?

We are at a vital decision point. In short, do we accept the status quo and passively hope that an economic upturn will see us and our communities through, or do we ride this wave, using the strength of our past history and our understanding of what matters now to help us drive through a period of significant change?

Can we become Councils with the confidence and capacity to lead our communities to greater prosperity and self-determination by using our key strengths of the past and applying them to a 2014 context? Have we got the nerve?

I do not believe from conversations with a number of our staff, politicians

and partners that we **want** to miss this wave. Indeed, I am heartened by a strong ambition among politicians, staff and partners to step up to the mark and provide strong and sustained community leadership. Leadership that will enable wealth creation and self-sustaining community activity as well as allowing us to provide high quality, cost effective services where we are the right people so to do or select the right partner where we are not.

I'm not naive about the size of the challenge and the responsibility upon us is a real one. But the conversations I am having with a range of individuals and organisations suggests there is a real hunger to do something different, some extraordinary opportunities and very considerable unrecognised and untapped potential across our communities (and the organisations and individuals that make them up) to lead our places to prosperous futures.

The Wave Catchers

I'm now going to describe our three wave-catchers (wealth generation, enterprising communities and adaptive Councils) in more detail. I will track the ideas from our local past into our present and then make some propositions for the future. I have included some of what I have learned about the history of Adur and Worthing in my descriptions because I believe that, in order to understand who we are now and to think about who we will be in the future, it is essential to have a strong sense of who we were and where we come from.

Whilst Adur and Worthing share services, they are separate Councils and different communities. Their histories have some things in common and some important differences. There are also some fascinating patterns that tell us what made both places successful, prosperous and resilient and we can learn from those patterns.

Wave Catcher 1 : Supporting Our Wealth Generators

Generating wealth :The past

People have been prospering and innovating in our locality for over 5,000 years - from the Neolithic flint miners of Cissbury, through the “grain factory” of the Romans to the Saxon fishing hamlet in Worthing. And although collectively regarded by many as a construct of the 1970s, the towns and villages that make up Adur have equally long and fascinating histories. Shoreham itself was an ancient place of seafaring and then a medieval port, bringing in trade and ideas from other parts of the world – the beginnings of our international ambitions.

In more recent times, Worthing saw the growth of 18th century tourism, bathing in the healing properties of our sea and the coming of the railway – creating mass transportation, increasing tourism and enabling a market gardening industry to get its products to market. Then came the automotive revolution and Warnes Hotel, the “motorist’s mecca”

harnessing the economic potential of the car.

In its turn, Adur has been the home of a huge variety of technical and creative industries : being a key centre of the UKs locomotive industry with the carriage works at Lancing employing over 2,000 men; playing a part in the early forefront of aviation technology and housing the UK’s first “Hollywood” for the silent movie industry.

Both places have also had significant strategic importance, forming an essential part of our wartime defences (from Saxon to Napoleonic times, the Great War and World War II). We have held an important strategic place on the south east coast as an essential part of the UK’s defence and attack capability.

More recently, Adur industries have bucked the trend for “the UK not making anything anymore”, specialising in advanced engineering, electrical engineering and aviation-

based spin-off industries, at times allied to our commercial port operations. The 50s, 60s and 70s saw, the growth of small industrial estates (active and employing our population to the present day), using road networks and developing a thriving logistics industry to create prosperity. Today, we host companies like Ricardos which act as a flagship and magnet for the investment of ideas, money and talent into the area, not to mention Edwards, Pyroban, Higgidy and others – all active growing employers and supporters of local talent.

Worthing has developed in a different direction, building on the retail and tourism offer of the 1970s to become home to significant employers in science (e.g.GSK), and, until recently, a significant financial services sector. Then in the last decade, we have seen the rise of the small and high growth creative, digital and IT sectors with some global success stories such as Fresh Egg and ETI, supplementing longer term successes such as

Bowers and Wilkins and newer high growth businesses like NETBuilder.

So, despite their superficial difference, much of Worthing's and Adur's prosperity for over 5,000 years has been based on applying the scientific knowledge of the day with local entrepreneurship to create technologies and prosperity. So science, technology and creative thinking have long been in our DNA.

So far so good – but what does this all have to do with our Councils? Of course, science and technology cannot create widespread prosperity without places to locate, effective infrastructure and a place that is attractive for potential employees and their families to live in. At its best, the local Civic role has, since the 19th century, been to support and develop the “Commons” by which innovators, scientists, technologists and a huge variety of other employers create their facilities, develop their products and get them to market.

Generating Wealth : The present challenge

So what is next for our support of wealth generators – what do they need from us right now? Our local financial economy is at a crossroads - a number of those I have spoken to say that we are in danger of becoming “places that have gone to sleep” or having “small town ambition” - we need to wake up if we are to support new wealth producers and encourage them to locate here.

- **Current business sectors** : We have a comparatively small number of real wealth generators (i.e. small high growth companies creating jobs, wealth, innovation and IP, good supply chains etc.). We also have a high concentration of employment in relatively low-value-added sectors so average earnings

are low.

- **Inward investment** : As a place, we at times struggle to attract and sustain significant inward investment. Worthing in particular has been unable to retain its large financial services businesses or to attract adequate replacements. Our

international reach is patchy.

- **Sites for business.** In Worthing in particular (but also in Adur), the 'cranes are on the skyline'. However, much of the development is in the residential sector rather than providing employment space which is at a premium across both places. Our employment sites are mainly well occupied and demand for office and industrial premises reasonably strong. The retail sector is more site specific but there are generally relatively few empty shop premises. There is limited serviced or managed workspace in Worthing and no business incubator space or Innovation Centre and a lack of grade A office accommodation.
- **New land use :** In Shoreham, our approach has been about using brown field land, particularly the airport and harbour. In Worthing, the economic development approach has been more about supporting indigenous small to medium-sized enterprises to grow (and attracting those looking to relocate out of neighbouring areas). The brown field potential in Adur creates a future pipeline for business locations but development opportunities for light industrial employment space across Worthing are very limited and the size and configuration of our retail units are considered by some investors to constrain the town's growth as a retail centre.
- **Education and skills :** We have, as yet, little University input - in a knowledge based economy, this is problematic. Whilst Adur has some University connection through the Ricardos Partnership, it lacks the

identifiable higher education presence that will help to drive us towards a more flexible economy. On the plus side, we have some very high tech advanced engineering and other innovative firms and Worthing is a significant centre of learning with a strong FE sector and some accredited University of Brighton learning offer. Considerable "upstream" investment is going into the skills offer for our young people up to FE level (a potential new Academy, school transition age changes etc. will all sharpen our skills and knowledge focus). However, we are predominantly still a low skills economy - whilst education is definitely "on the up", it's not quick enough and not yet widespread enough to meet the needs of our 21st century economy.

- **Infrastructure :** Road infrastructure across both areas continues to be a concern for businesses and a potential barrier to inward investment. Broadband and rail connections both require improvement.
- **Regeneration possibilities:** Much of our regeneration is currently 'housing based' - whilst it is good to see building sites across Adur and Worthing, much of this regeneration is based upon good fortune rather than our design (Government investment in the FE sector, asset prices and the position in the economic cycle etc.), Moreover, this growth may create little in the way of longer term jobs. We need more economic regeneration outside the housing sector.
- **Image/brand.** Worthing, in particular, is still sometimes

perceived as a place for older people, despite its rapidly changing demographic profile and commercial sector. In fact, we have seen vast

population growth over the last 10 years (particularly in the key economically active 16-24 year old age group).

So this is a moment - our economy is not dead, neither is it particularly or universally buoyant. There are signs of a real demographic change with “new comers”, particularly with those bringing their businesses with them. These newcomers bring not just resources, ideas and business but a new mindset and they want to see a different offer in the places of Adur and Worthing and by their Councils.

If we don't respond, there is a very real danger, in both Adur and Worthing, that the early part of the 21st century could “leave us behind”. We are at times confused about what we are for and our strategic aims at a critical time in our economic cycle.

Our Leaders have a clear, shared ambition that we should be in a place to ride the wave and whilst there are several shining examples of economic stars, there are not enough. We, and our partners, have a responsibility to increase our brilliant lights if prosperity for our broader communities and future generations is to be achieved.

Generating Wealth : The possible future

Supporting wealth generators by...

a clear focus on Adur and Worthing as “places of science, technology and creativity”.

Adur and Worthing are well placed to draw on investment and talent and become a driver of the coastal Sussex economy. There is the potential for real collaboration and competition with London, Crawley/Gatwick and Brighton & Hove. At times we will wish to partner with them, at other times we will need to clearly differentiate in order to have a strong and unique proposition.

If we draw on our past achievements of turning science and technology into prosperity, we can identify ourselves as places which support industries that are seeing massive investment at a global level - advanced engineering, electrical engineering, creative, digital, IT, bio-science, nano-technology, big data etc.

We have some shining examples of where the entrepreneurial sector is doing this already. In Adur and Worthing, we are specifically “making things” using science. Very often the technologies we are creating (e.g. eco-tech sector) are genuinely world-leading gaining us reputation and inward investment.

We need more, we need strong focus on making it happen and we need it to become part of our collective psyche as public servants.

- **New business sectors** : We need to develop a stronger understanding of the needs of the creative, digital, IT, science and tech sectors – what

they need from our places and how we can deliver it. Our offer is currently patchy and we don't have

an external image that matches our existing high tech reality.

- **Inward investment** : We need to become places that are 'in the game' of LEPs, City Deals etc and that look for other ways of attracting significant investment capital. For example, working with others to create an investment prospectus, proactively talking to potential investors about opportunities and packaging some of our opportunities in a way that attracts national and international attention.
- **Sites for business** : We need to move both the Councils' development sites and those of others to market more quickly and in a way that is mindful of the strategic needs of our places rather than ad hoc and opportunistic. We need planning frameworks that support this and balance the housing/employment space dilemma. For council sites, we need a serious major projects capacity that drives critical projects to successful conclusions and earns us a reputation as Councils that can "do the business".
- **Education and skills** : We have three Universities on our doorstep (each with start-up and incubator experience) and we need to hear from them what would make Adur and Worthing attractive places for them to come and do business. We need to be clear about what we can offer in return.
- **Infrastructure** : We will only become attractive to new economy

employers if we have the critical "infrastructure" they require. This goes above and beyond transport, broadband (the classic "Commons" and "digital Commons") and extends to the vital elements for attracting top talent in the creative economy. This talent looks for high quality and flexible housing, a strong vibrant and interesting cultural offer, leisure, food, retail offers and good networks to other "innovators/ideas people". These are no longer "nice to haves" but an essential part of an economic strategy. We are already making progress in these areas and in the world of the digital economy, a strong cultural or schools offer is as much essential raw material as good broadband connectivity.

- **International Reach** : We need to become clearer locally (and regionally) of our approach to international markets, investment potential and tourism offer.
- **Image/brand** : We need to develop a new brand for the economies of Adur and Worthing. If science, technology and creativity are our thing, then the outside world needs to be aware of this and intrigued by it. We have extraordinary natural resources of coastline, productive countryside and a national park which is matched by our human resources. We have new skills coming through, and a variety of committed partners with whom we need to develop a collective branding agenda.

Generating wealth : What does it mean for the Councils ?

- **Economic development** : Our internal approach to economic development needs to shift from planning based, ad hoc and opportunistic approach to a consistent clear and dedicated focus on:-
 - Attracting investment and growing our international reach
 - Economy, employment and skills
 - Regeneration
 - Driving major projects to closure (in particular the development of key strategic sites).
 - **Supportive procurement** : We need to build relationships and revisit our procurement methodologies to ensure that local SMEs are able to compete.
 - **Understanding local businesses** : We need to build relationships and become more familiar with local, national and international business and how it works (particularly in the senior leadership of our Councils).
 - **Positive PR** : We need to ensure that our communications support the financial economies of both places and avoid “talking the towns down”.
 - **Dealing with ‘business toxic’ issues** : We need to quickly and effectively tackle the issues that are regarded as toxic to the relationship between ourselves and local businesses - parking, tourism, town centre work, traffic, etc. Rather than regarding them as intractable problems or ‘the problems of others’, we need to grab them, resolve them and give the commercial sector the confidence that they can invest.
- We will need to invest in our internal capacity to get this right. It may be about bringing in talent to make this happen, it might be about sharing resources with others with similar agendas or it might be about stopping some of our current activity. We have to inject pace - lack of capacity and a scatter-gun approach runs the risk of our missing the upside of the current economic cycle.
- **Open for business** : On a fundamental level, we need to make it clear that our Councils actively support and are open for business : local, national or international business.

Wave Catcher 2 : Cultivating Enterprising Communities

Walking the wards of Adur and Worthing, I have seen a rich mix of people and communities. Even within a relatively small ward, however, areas of deprivation and pockets of relative affluence lie cheek by jowl. It doesn't necessarily follow that prosperous communities are more or less socially active than those regarded as deprived. In some wards and communities there is already considerable community activity at small scale going on. In others, there is a sense of disinterest in broader community activity. There is no point in trying to force people who don't want to get involved. My experience so far is that it boils down to the people in the area, their drive, organisational abilities and openness to opportunities.

But it is also true that we as Councils can help or hinder this organic local activity. At our best we support by providing information, infrastructure, networks and skills to help community and social enterprise grow rather than creating hurdles or simply ignoring the activity completely.

Enterprising communities : The past

We have had strong and prosperous times in our past, but the histories of Adur and Worthing have not been wholly rosy ones. At times, we have needed all the community spirit and enterprise we can muster to get us through those hard times. Our areas have endured war time disruption, economic downturns and depression with stubborn levels of deprivation among some communities.

However, right across our areas, from the early 19th century onwards, public spirited citizens have either come forward to take small scale local actions or to create civic machinery that subsequently became today's Local Government and other Public Services. They set up organisations

and networks to tackle a number of pressing social or environmental issues of the day. This community enterprise was particularly active during war time periods, the depression of the 30s and the recession of the 70s. The roots of several community organisations including the forerunners of Guild Care were laid down in the 30s depression and flourish still today. St Barnabas, Worthing Churches Homeless Project, Rotary, Albion in the Community, RAFA, Ropetackle and Adur Festival, Birdman and a wide range of community and resident's associations are all tangible examples of strong and enterprising communities in action and there are many more.

Enterprising communities : The present challenge

The social histories in Adur and Worthing (and in other parts of the UK) suggest that neither 'the State' nor 'the Market' can do everything. As Beveridge himself recognised, one of the unintended consequences of the Welfare State was a reduction of large scale community activity, social enterprise and entrepreneurship to resolve issues and problems, compared to pre-1945.

We (and our public service partners) are targeting activity in our deprived areas with some success. While having a role to play in supporting our local communities, what

we most need to do is to encourage and cultivate the kind of community enterprise that served us well during our past. We need to develop and grow enterprising communities that have the ability to tackle and find solutions to social and other issues at the local level.

- **Deprivation** : Across both Adur and Worthing - we have areas of high deprivation (on many measures), areas of geographic isolation, low income, low skills, poor access to employment, poor health and, in relative terms, some of the most deprived areas in West Sussex. So where are we now? In some communities, deprivation levels are firmly entrenched – most measures have not improved significantly in relative terms in recent years. More recent evidence during the current economic downturn suggests that, in several areas, they are getting worse.
- **Community activities** : There are a range of exemplary community and voluntary sector activities (in particular community/resource bases or centres from which a variety of activities and support groups are taking place). The infrastructure is not consistent

across the areas but there are some shining examples of great practice. I have visited several excellent community organisations which are having strong impacts of their local areas (e.g. the Northbrook Project, The Maybridge etc.). Their (often volunteer) managers are, at times, struggling to meet demand or develop in the way they need to.

- **CVS** : Our community and voluntary sector contains a small number of large organisations, the majority being very small. Most of the small organisations are concerned about their financial positions, particular where State funding from a variety of sources is increasingly drying up. Both Adur and Worthing have umbrella community and voluntary sector organisations though as yet there is relatively little consortium working, bidding for public services work or wide scale use of social finance.

So there is currently a huge possibility for improvement in how we as public service organisations assist, promote and enable (rather than overwhelming or crushing) local community activities.

Enterprising communities : The possible future

**Cultivating enterprising communities by...
recognising opportunities, sharing knowledge
and skills and “getting out of the way”**

We are clear that, as the State (not just Councils, but all public services) start to disinvest, some of our communities are likely to fracture and struggle. This will undermine our aspiration for prosperity unless there are capable individuals and organisations who can take on some of the public services and solutions and deliver

them in a different way. Most of the wealth generating businesses I talk to 'get' this – many have active CSR programmes in place already and are fighting to prevent increasing levels of deprivation in our places. Whilst the situation in Adur and Worthing is no different to a number of District and Borough Councils, some of our colleagues in Public Service Organisations in other parts of the country are moving further.

Our ambition is to develop enterprising communities across Adur and Worthing - communities of geography, common interest, of age or type etc. Communities that have the ability to 'trade their way forward', to effectively take risks, to be innovative and creative and seize opportunities. Communities where there is, active participation, self-reliance, self-determination resilience to economic or other shocks and where people have the confidence and pride to stand on their own two feet, to compete and to fully participate in community life.

I have already seen signs of those communities across Adur and Worthing. We have some large organisations (Guild Care, St Barnabas, Worthing Churches Homeless Project etc.) that have grown out of community concern and a desire for entrepreneurial activity to resolve long standing social issues. At the micro level across our wards, I am seeing examples of individuals and community organisations doing the same. Their approaches are not always easy to scale up, but here is the flame and the kindling to help light the fire for enterprising communities. The spirit of social activism is alive and well across Adur and Worthing and it requires cultivating.

- **Enhanced community activity:**
We should be using the wisdom of our communities across a range of issues, encouraging community groups and social enterprises to provide much of what has recently come under the mantle of public services. Whether it's a cultural offer, a leisure offer, housing, community regeneration etc. our Councils are no longer the "experts" and holders of all knowledge, nor are we the only possible provider. There will be errors, there will be mistakes, some community organisations will occasionally fall over - no different from organisations in our commercial sector. Innovation, real innovation, often comes from failure and we should not be deterred by it. As yet we have relatively little community activity in the Digital space.
- **More social entrepreneurs :**We already have some social entrepreneurs and business people with real social interests. The demographic change is bringing new residents with interests and ideas about social entrepreneurialism into our areas. We need to connect them up, connect them to real social problems and support them to access social finance solutions where required.
- **Creating new social businesses.**
As part of our role as Civic Social Entrepreneurs (see the next section), we will encourage those of our service areas that are ready to migrate to social business status. We will also prepare other services for that journey where we see potential.

- **Self-determination.** Once we have confident and able community leadership then, led by local ward councillors, we will look at what

parts of our day-to-day decision making they can be more actively involved in.

Enterprising communities : What does it mean for the Councils ?

- **Use of Localism legislation :** As yet there has been relatively little use or interest in the Councils in the “Community Rights” package and some of the other enabling powers in Localism. We, as a Council, have in places often been slow to see the potential in community activity and, at times, have got into active conflict with it, even where we may be sharing common agendas. We need to understand that community enterprise in a variety of forms is of enormous value and if others can do things at a local level as well as, or better, than we can then we need to get out of the way and support them to do so.
- **Actively promoting community enterprise :** It’s not about us teaching business skills to communities. It is about Local Government and Public Service partners not always “doing to” or “doing for” but “doing with” and, ultimately, in our decision making being “led by” those enterprising communities and their leaders. It’s about using our investments (in grants, time and energy) wisely and through the way that we commission solutions and services.
- **Being constantly vigilant for opportunities :** bringing people and assets together to work on many of our areas’ ‘wicked issues’.
- **Watering the seeds :** if we are to get back some of the “pre-Beveridge” levels of social activity we need to plant seeds, cultivate the seedlings and help the saplings to grow rather than looking for reasons why seeds shouldn’t be watered.
- **Using partnership vehicles and relationships :** We currently have a range of formal partnerships and good relations with key delivery partners that we need to actively use to further enterprising communities from the LSP to relationships with small CVS organisations and major employers ... we must become the connector that brings the focused attention to the agenda. This includes growing our abilities to influence WSCC and other partner’s commissioning approaches.
- **Using public sector commissioning :** We already have some good examples of co-design and co-productions of solutions in some services. In developing Wellbeing Hubs we assessed need, tested the market and commissioned a mature mixed economy of supply (with our Councils and CVSE provision managing the supply network well). In many areas, though, the progress is slow and we do not always have the understanding or skills required

within the Councils. A mature and capable commissioning approach will greatly enable local CVSE (community, voluntary and social enterprise sectors) to grow.

- **Using developing agendas to catch the wave** : We must use new or developing policy areas to drive our enterprising communities agenda. Public Health responsibilities are an excellent example where we have engaged well with our Director of Public Health who has commissioned the Wellbeing Hubs ... creating opportunities to influence the County-wide Public Health Strategy. Similarly, in the developing “early help” agenda (taking the Troubled Families initiative to the next stage) we are effectively influencing by bringing CVSE and families to the

centre and co-training social work professionals alongside community groups. Both are tangible examples that we can learn from and take to other services.

- **Leading Enterprising Communities** : We must recognise this is an important and difficult role. Supporting, enabling, facilitating, helping to define communities (our profiles for Asset Based Community Development are an excellent start) as well as supporting and challenging our CVS to be “big, bold and effective”. We need to support fledglings until they are ready to fly. We must not forget the importance of aligning small funding pots (jointly with WSCC, Social Enterprise and Big Society type funding etc.) as well as maximising the larger opportunities for Social Investment.

Wave Catcher 3 : Becoming Adaptive Councils

Adaptive Council : The past

Since the early 19th century, we have seen Commissioners, “the Parish” and, more recently, what we recognise as modern Local Government providing the “Commons” (the common infrastructure) for local people and businesses. The 19th century saw the development of road infrastructure with clean and paved streets, public health works and new technologies to combat the flood plain, leading to a growth of villages such as Lancing, Sompting, Fishersgate, Southwick etc.

These ‘commons’ enable wealth generators to create prosperity and allow communities and individuals to thrive. They also include the ‘social safety net’ to provide shelter and support to those families who would otherwise struggle to keep a roof over their heads or to educate their children. And it is easy to forget that they are important ‘glue’ in prospering communities.

In more modern times, our “Commons” activities have covered transport, housing, land use, public health, social care, waste and cleanliness of the public realm, higher and further education, leisure, cultural offer, economic development, social regeneration and tourism. Bringing us right up to date, the new Splash Point leisure centre is not just a global award winning leisure centre, but a beacon of what ambition can achieve in Worthing and the power of concerted civic action in developing “the Commons”. The regeneration of central Shoreham is a similar lesson about what such focussed attention can bring to a place.

As Councils, we have adapted continually : Adur and Worthing Councils can be rightly proud of the way that a District and a Borough Council came together to improve the

quality of their services and substantially reduce costs. It is estimated that up to £11million so far has been saved from this process with more to follow.

At our best, I see an organisation where committed and skilled staff provide cost-effective, high quality services - residents have frequently spoken warmly to me of our refuse collection, street cleansing, beach patrol, leisure services, etc. We have also shown that we can demonstrate considerable Civic bravery and forward thinking (e.g. the high design spec and brave borrowing required for Splash Point; the publication of the recent Adur Local Plan for consultation - balancing the future prosperity of the area with understandable concerns of residents about further development etc.).

Our new ways of working (NWoW) project, notwithstanding some technical snagging still to resolve, has seen a wiser use of our accommodation portfolio, freeing up savings. It has enabled the creation of Civic Hubs for us and partner organisations to use and, in time, we will create a technological platform from which we can grow our service offers.

At our best, we can also lead local social policy and practical interventions on the ground (e.g. Think Family). We can be skilled at dealing both with large volumes of customers and adept at turning individual complaints into

opportunities to create real satisfaction with our residents.

At our best, therefore we show signs that we can build upon a proud Civic tradition and become a Council fit to lead its communities in the 21st century.

However we are not, in the judgement of many, often enough or consistently enough at our best. We are not yet the Councils either Adur or Worthing need to lead them into the future. It might just be possible to rest on the laurels of past achievements and to ride the coat tails of national policy or productive local partnerships, to continue to “Slice the Salami” until there is none left. And we could hope that the improving global economic situation, increasing local asset prices, new technological solutions and a constantly changing demographic enable us to ‘muddle through’.

This isn’t surfing the wave though – it’s more like being caught in the backwash – being unable to shape our own destiny and carrying the risk of lost opportunity for the communities we serve.

The present challenge

We are at an important point in our organisational history. Merging services of two authorities and the New Ways of Working Project have delivered real savings and, in some cases, notable service enhancements. However, a number of challenges (financial, resident expectation, changing demographics, technological development etc.) and a rapidly moving economic cycle require us to refocus the Council’s activity.

We don’t have the opportunity of ‘spending more’ - it’s about spending more wisely and focussing our reducing investment in areas of highest impact. It’s also about bringing the resources of others and the untapped resources of our communities into play. Those key challenges include

- **Economic development and inward investment** : We are not punching our weight in supporting our wealth generators. We spend time and energy in partnership activity seeking relatively small pots of Government money (often as part of competitive processes where we are not sure there will be a benefit). Significantly larger sums of inward investment are available in areas that we are not ‘mining’. At times our approach is opportunistic, driven

by individual micro local pressure and national or regional funding streams, rather than a strategic approach to economic growth. A number of our major projects are “stuck” and we are not yet on many “radars” for inward investment.

- **Land use strategy** : In Adur, we have made recent progress with a draft Local Plan at consultation stage and some clear propositions for the airport and the harbour. In

Worthing there remains a lack of clarity and focus about what we are trying to achieve. There is an ambition to support SMEs and start-ups but without a strong understanding of the role of higher education/University sector or a focus on high growth and innovative business. We also need to shift our mind-set to think how we might use the land we as Councils own to support our wealth generators not just to maximise our rental income and identify opportunities for longer term revenue streams for the Councils.

- **Regeneration approach** : At times our regeneration approach appears to be on very local projects without having any strong vision about what we need to achieve. Therefore our energies, though well intentioned, can be a scatter gun response to funding opportunities, confusing partners and major investors and occasionally skewing our approaches.
- **Supporting community enterprise** I have covered the need for this in Wave Catcher 2.
- **Organisational culture and resources** : External partners and our own staff have described us as static, stagnant, solid, risk averse,

bureaucratic, slow to respond and at times frustrating to talk to or deal with. Whilst I have seen some examples of excellent engagement with partners and service delivery, I have seen too many examples of us falling short. We know that our Revenue Support Grant will reduce year on year and is unlikely to be replaced by other grants. We have some examples of entrepreneurial (and intrapreneurial) activity but this needs to become the norm if we are to ride the wave.

- **Public service commissioning** : With the notable exception of 'Think Family', I have seen relatively little evidence of good commissioning of community or locally based solutions which enable third sector organisations or SMEs to come together to share cost and provide consortia based approaches to public services and solutions. I've also seen little evidence that we are tapping into the potential of the social finance market to fund activities and businesses of social value. Neither the Councils nor other local public service organisations are fully utilising the potential for social enterprise and mutuals to solve longer term social problems despite the fact that we already have some social enterprises (though at relatively small scale) in effective operation.

The future possibility

**Becoming adaptive councils by...
shifting resources, partnership focus, cultures
and mindsets.**

It is vital that we turn the “solid and stable” Council that people describe to me (both positively and negatively) into a Council that operates in a more adaptive way, understands its role in leading our Communities and knows what it should (and shouldn’t) seek to do. With a reducing RSG and pressure on capital budgets, we need to rethink what we do, the services we provide, the solutions we commission and the way we engage and support others. We have to be able to adapt fast, at times fail fast and innovate fast. This is not the rather bureaucratic public service model we currently use.

In my conversations with stakeholders, I have heard good things about our organisation. We have some extraordinarily entrepreneurial services leading the way, finding ways to both provide excellent services, community solutions and improve their financial bottom lines.

However, there have also been some consistent criticisms. The table below outlines some of the more critical things our partners, stakeholders, staff and members have said about us as an organisation. Whilst painful at times to read (and unlikely to reflect the “whole truth”) they nonetheless provide some important learning about how we are seen ...sadly not all mirrors reflect what we would like!

Critical (external and internal) stakeholder feedback (Synthesis of Conversations – all points raised by several people)

<p>Systems and processes</p> <ul style="list-style-type: none"> • Parts of our “operating systems” (the means by which we do business) have the feel of a 1980s bureaucracy • We are described by outside stakeholders as inward looking, dysfunctional, often missing the big picture, focused on the micro. • Service boundaries or silos get in the way of intelligent solutions and, at times, individual “professional judgements” have more importance than what counts for service users and communities. • We have not been consistent in how we have approached first level service efficiency changes • Productivity is not a word consistently used or understood • Our approaches to managing performance are mixed. • Our IS and customer services infrastructure look frail and unfit for the future • We have no consistent approach to an information architecture or how we will move the business into the digital environment • Some of our in-house housing stock is at an unacceptably poor standard 	<p>Culture, attitude and relationships</p> <ul style="list-style-type: none"> • Some of our Civic activity and services have become stagnant. • We are at times unable to operate at pace, with agility, to do what we say we will do, or make rapid enough decisions. • Members are left exposed by actions of officers and left to “clear up the mess”. • Stakeholders generally talk about a lack of consistent and high quality external or strategic dialogue or inconsistent working at essential relationships • Our ability to talk to communities and partners, get our messages out via communications and engagement is weak. We don’t manage our reputation well. • At times we push away the big, the novel, the risky even where others are offering to provide solutions for us. • We are not good at managing our brand - this at times leads us to “shoot ourselves in the foot” when we don’t need to. At a time when we need to work closely with our partners this is a significant risk to our credibility. • Creativity and innovation across the Councils is patchy in both designing community solutions and providing services.
<p>People and skills</p> <ul style="list-style-type: none"> • Some senior staff are not well known outside the Council. • We don’t have the skills as staff to lead our communities, enable, convene, mediate and provide confidence to others to take risks themselves. • Our procurement practices can seem opaque and our undertaking of Commissioning undeveloped. • We don’t make the most of the partnership opportunities we have. • We don’t understand the digital world – what it means for us and the opportunities it will provide – “We are not yet digitally savvy” • Our collective commercial/entrepreneurial “nous” is not where it needs to be. • Do our people have access to the learning opportunities they need for the future and do we know how to acquire them? 	<p>Strategy and leadership</p> <ul style="list-style-type: none"> • We are “over managed and under led” • Too often we look to our big brother and big sister (West Sussex County Council and Brighton & Hove City Council) for a lead. At our worst this can look like we have no policy of our own or we too often do things because “the Government says”. • Our strategy for economic development has historically adopted a planning based approach which does not always work for potential inward investment or key strategic partners • We have not fully developed or understood the value of our cultural and tourism offers and their impact on the local economy (culture for us is about “theatres” as opposed to a broader leisure, arts, retail, sports offer to “put us on the map”). • Although we know that we will face considerable financial challenges over the next decade (primarily with a reduction of RSG but with a number of demographic and infrastructure challenges as well), we have not developed a strategic approach to coping with those diminishing resources • Whilst Corporate Priorities were refreshed earlier in the year, they are general rather than specific and there is not yet good understanding of what they mean, and how we bring them to fruition. (The “when and the how are missing”).

Four focus areas

To change our capacity for adaptation and our reputation, we will need to focus on four key areas of work :

1. Providing or commissioning efficient and effective public services and solutions
2. Consistently developing the “Commons” to help our wealth generators and enterprising communities thrive
3. Becoming “Civic Social Entrepreneurs”
4. Demonstrating that we are confident and capable leaders of our places

And we need to do this on a reducing financial base in order to build our capacity for innovation. I am keen that “how” we do this is a design process led not only by our senior leaders but also by our staff, who should best know the needs of our communities.

1 Providing or commissioning efficient and effective public services and solutions

In some areas of our business, we’ve learnt from approaches such as “Lean”, BPR or systems thinking and made significant in-house transformations. In other areas, progress has been slower. Given that real service enhancements and tangible savings have been generated through this process we need to start by applying this ‘Best Practice’ universally across all service areas and create a culture of continuous improvement. Our work needs to be based on measures that assess outcomes against our key priorities as well as the satisfaction of our customers and residents. Our focus needs to be on:

- **Apply a consistent Systems approach across all business areas over next 18 months** : with specific targets for service and productivity enhancements and financial savings (or increased revenue generation).
- **Develop a mature strategic approach to procurement** : Procurement can represent up to 50% of a Councils budget. We need to develop a procurement strategy, upskill staff (potentially working with an expert partner), undertake a spend analysis and aggregate through category management, develop an asset reduction approach (with other partners), utilise technology, develop a supplier Management Plan and manage demand more effectively.

- **Strengthen our Contract Management and Project/Programme : Management approaches and capacity.**
- **Commissioning Capacity :** We will grow our capacity to use fully the potential of commissioning. Our conventional approach to sourcing - or the “make and buy” decision - has been drawn from the classic 4 areas:

“Make”	“Buy”	“Share”	“Divest”
<ul style="list-style-type: none"> • In house transformation (e.g. Lean/systems/BPR) • Continuous improvement 	<ul style="list-style-type: none"> • Outsourcing to private sector • Outsourcing to 3rd Sector • 3rd Sector or Private Sector joint ventures 	<ul style="list-style-type: none"> • Shared services (e.g. CenSus) • Shared Management (e.g. Adur & Worthing partnership arrangements) 	<ul style="list-style-type: none"> • Transfer to community organisations • Spin-off social business/social enterprise/Mutuals/Trusts etc. • Devolve to district or parish • Closure

We need to be more intelligence led in how we make these decisions and ensure that our strategic drivers (particularly our desire to support our wealth generators and create enterprising communities) influence our approach to sourcing decisions. Many local authorities have adopted a Strategic Commissioning approach to making those key decisions. Commissioning is not simply procurement (though that is part of it) it asks the fundamental questions of :

- what is the need that we are seeking to address?
- who is best placed to provide it?
- does it fit with our overall strategic objectives?
- what are the untapped resources that help create solutions?
- how best do we go to market(s) or negotiate with local providers for innovative solutions?

Rather than an ad-hoc approach to make or buy (or a opportunistic one) we will strategically commission key service areas.

- **New digital business models :** We will explore new digital models of doing business. Some District Councils are investing in ‘one technology platform’ that enables them to create new services and solutions around the needs of customers and communities. Others are transferring services to “Apps” platforms. We need to identify and plan our approach and align resources behind it.
- **Reviewing our assets :** In looking across our asset portfolio, and as opportunities arise, we will seek to create new long term revenue streams to replace a dwindling RSG. We will seek to work in joint ventures with others to improve and use our asset base more strategically.
- **Innovation and open minds :** We will invest in innovation processes where that makes sense, focus on outcomes (not inputs) and accept that not everything works first time.

2 Developing the “Commons” (including the digital Commons)

We will prioritise and invest in key services that we provide, not because they're “statutory/non statutory” but because they are a fundamental infrastructure to supporting the wealth generators and the enterprising communities that we are seeking to grow. Tackling some of the higher profile and difficult issues (parking, tourism, transport, housing and homelessness, town centre regeneration, economic development etc.) early on will be essential.

Developing (and maintaining) the “Commons” also includes an important role for “wise regulation”. We have a number of vital regulatory services that need to operate intelligently to ensure both fair and consistent approaches and that support our ambitions for wealth generation and enterprising communities.

3 Becoming Civic Social Entrepreneurs

- **Redefining our role** : We need to redefine both our role and our relationship with partners and communities. As well as expecting private sector and community sectors partners to take on a more entrepreneurial approach, we must do the same ourselves. That does not mean doing everything - it does mean that our role will be to bring together the key players, assets and intelligence needed in order to find sustainable solutions (via formal commissioning or other partnering arrangements).
- **Co-designing and co-producing** : Once we have identified a gap, we will co-design solutions and, at times, we will be involved in their delivery. At other times, we will step back and allow others to lead once a delivery approach is agreed. The entrepreneurial element that we need to adopt will allow us to see the potential, bring the right people together, help create a valid proposition and then know whether to lead, participate or withdraw.
- **Being ‘civic angels’** : At times we will need to be “Civic Angels”, taking an approach similar to a Business Angel supporting a new venture. That might be guidance, advice and mentoring, it might be helping community organisers to create the right networks. The leadership of the organisation in particular needs to become adept in this role. I will also expect senior managers of the organisation to take on a stewarding role of certain geographic communities, working closely with the ward councillors and supporting their democratic leadership role.
- **Getting involved** : We will actively encourage our staff to participate in the activities of enterprising communities via volunteering their skills and by shaping opportunities to learn new entrepreneurial skills. We will recognise that we have as much to learn as to teach and support.
- **Generating new social business ventures** : We will generate new social businesses by spinning out some existing services (or enabling joint ventures). We will support the fabric and networks of social business across our areas and ensure Adur and Worthing fully uses the Social Finance Market

- **Being open to community delivery** : Whether it's a cultural offer, a leisure offer, housing, community regeneration etc., the Councils are no longer the “experts” and holders of all knowledge. We should be “open source” with our knowledge and information, welcoming mature co-design and participation in what we do. When we judge that communities are ready to actively lead we should enable them to do so. That applies in all of our services when we re-commission them and as a “default setting” for new investment.
- **Running experiments** : We need to start letting people run things where they can. We should actively set about a programme to grow the capacity and transfer the management of some of our assets to active community organisations that are ready and keen. Whether that's parks, allotments or housing estates, we will run experiments to scale, find out what works (and what doesn't) and take a proportionate view to managing risk in the process.
- **Steering our partners and supply chains** : When we commission and joint-commission, we will be clear that we expect our partners and delivery organisations to have a similar focus on supporting wealth generators and enterprising communities (from use of Section 106 monies, through to volunteer activities of their staff).
- **Use of the Community Rights package** : We will pro-actively encourage the use of the Community Rights package (and what we can do going beyond), particularly looking at our surplus and unused land assets to support and encourage the development of communities.

4 Demonstrating confident leadership of place

Using our democratic legitimacy, understanding of need and environment and networks of relationships, we will lead Adur and Worthing with clarity, confidence and with the ability to have “proper grown up conversations” when required. We will recognise that, whilst democratic legitimacy gives us significant influence, it does not translate into direct control over partners or communities. We can't force people to come with us, we need to encourage them and explain our approach to our future prosperity.

At times, we already lead our communities well. At other times, we miss opportunities or ‘fudge’ issues. Leadership of place is not easy – our political, managerial and partner relationship networks need to be better aligned and our managers better equipped to lead. Amongst the skills we will need to develop for stronger community leadership are :

- Commissioning and co-commissioning
- Convening (and being convened)
- Thinking and acting long term
- Coping with complexity, difference and conflicting views
- Listening and engaging
- Community mediation
- Visioning (and story-telling)
- Gaining confidence in strategic and community leadership and the handling of conflict (and letting go of some of our old ways of operating).

The four focus areas are clearly not all that we will do. They are however, a set of co-ordinated actions that will help us maximise the first two Wave Catchers and move us to being more Adaptive Councils.

Catching The Wave—And Catching It Now!

If we are going to ride the wave we need to understand ‘the sea and the weather’, make sure we have got the right surf board and that we are surfing in the right group.

This document pulls together a story of the changes needed - it’s not a blue-print or a project plan for how we bring them about.

How do we do that:-

- **Share it with partners** and understand how it aids their agendas, ensuring we can work with them or understanding our differences
- **Create a programme for change** activity – ‘Catching the wave’
- **Share it with our Managers and staff** – allowing understanding of the agenda and then encouraging co-design of local approaches.
- Create **a coalition of the willing** and the interested (inside the organisation and our external partners and communities)
- **Communicate** our intent and engage people in delivery
- Lose no time in **making changes** to our organisational ways of operating, cultures and structures.

Where will we start ?

- **Leadership team** : We will reshape the existing management/leadership capacity at officer level, creating a smaller leadership team, focussed on our key themes, that has the capacity and ambition required to Catch the Wave.
- **Create new structures** : Form follows function. We will reform our teams to reflect the key themes (rather than our current traditional functional structure), so that people can work together more effectively across professions to deliver our objectives. Our focus will be more on the outcomes we seek than the professional families of our history.
- **Working with Members** : We will carefully consider what 'Catching The Wave' means for elected Members. A growing community leadership role and a focus on priority areas will bring new demands, therefore a revisiting of how Members and officers jointly work together on the agenda.
- **Amplifying the enthusiasts** : We will unlock those parts of the organisational culture that are already home to innovators and adaptors.
- **Rebasing systems for adaptation** We will align our performance and reward and incentive and innovation systems behind the outcomes we seek. We will cut the unnecessary "red tape" that holds us back (whilst retaining what's needed for sound and accountable governance).
- **Redistributing resources** : We have the basis of a budget for 2014/15. We will need to revisit how we redistribute further resource in order to meet the new agenda. This may not be a dramatic redistribution but we will need to grow our capacity (in areas such as Economic Development, our Reputation and Communication, Productivity and Performance etc.), recognising we have no new financial resource.
- **Rewriting our policy agenda** : We will ensure we have a strong Policy agenda that links together our aspirations and is translated through business and budget planning over the longer term. Our policy work will drive our partnership, regional and national work – not the other way around.
- **Re-emphasising our partnership activity** : We will ensure that the partnership activity we are engaged in (and our key partners) have the opportunity to shape our approaches going forward. From the Waves Ahead (LSP) Partnership to how we work thematically with other public service organisations we will seek to use partnerships and relationships to Catch the Wave.
- **Communicating better** : We will need to conduct a significant piece of organisational (and cross-community) communication to explain what we are doing and why and encourage engagement in the agenda.

And finally

Even after a few months in Adur and Worthing, I can see a successful and prosperous future if we do the right things at the right time, catching the wave. Local Government and local governance still has an important role to play in shaping that future. The ambition of local individuals, businesses and communities; and an improving economic climate, allied with clarity about what the Council's priorities are in the future creates a powerful wave of opportunity.

I believe we should catch and ride that wave and my message would be "come on in - the water's lovely".



Worthing based Lewis Crathern : 4 times UK Kite Surfing Champion



Becoming Adaptive Councils

***Strategic Commissioning and Service Re-design
– a Way Forward***

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Introduction

The discussion document 'Catching the Wave' (Alex Bailey, Chief Executive, December 2013) explains how Adur and Worthing Councils need to act differently in order to benefit from the wave of economic recovery that the country is now experiencing. In particular, the report identifies three areas of concentrated focus that will enable the Councils to become more adaptable and entrepreneurial, and to shape a more prosperous future for their communities:

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming adaptive councils

This report contributes to the new policy agenda by suggesting a new integrated approach that could eventually combine strategic commissioning, business planning, asset rationalisation and commercial development in a 'whole system solution'. In particular, it describes a more integrated and agile approach to supplying or commissioning efficient, effective public services and solutions in Adur and Worthing. It also addresses the need for more community or locally based solutions, and seeks to release the potential for social enterprise and enterprise to be engaged in the solution of social problems.

Why do the Councils need a more integrated approach to Strategic Commissioning and Service Re-design?

The Councils face further reductions in central government grant and continuing change on several fronts: economic, demographic, social, legislative, environmental, technological and political. We can reduce our vulnerability to these pressures and gain control of our future financial sustainability. This means retaining a strong public service ethos, putting the customer at the centre of what we do, and improving how we operate internally by:

- Fully understanding current and future costs
- Reducing unnecessary costs and streamlining processes
- Generating income by charging and trading
- Being risk aware rather than risk averse
- Developing partnerships with the commercial and voluntary sectors
- Delivering some solutions or services in different ways

What is strategic commissioning?

Strategic commissioning has been defined in various ways, including:

- the strategic activity of identifying needs, allocating resources and procuring providers of solutions or services to best meet those needs within the available means
- the process of deciding how to use the total resources available in order to improve outcomes in the most efficient, effective, equitable and sustainable way
- securing the solutions or that most appropriately address the needs and wishes of individual service users, making use of market intelligence and research, and planning accordingly

Such broad definitions mean that commissioning is a lot more than just procuring, contracting and tendering. It incorporates the full range of activities and processes that go towards achieving improved outcomes for the Councils' communities. A council-wide approach to commissioning is crucial in delivering locally appropriate outcomes by making best use of the Councils' ability to influence and shape services. It allows us to transform how public services are delivered by joint commissioning with a range of stakeholders including service users, staff and other public bodies, and in turn be more effective at meeting needs and achieving higher levels of productivity.

Commissioning requires public bodies across a community to step back and take an overall view of their role in the locality. They need to take a long-term approach to commissioning services that harnesses the expertise of all types of providers. The leadership required is about imagining and delivering new solutions that may not yet exist, drawing on the expertise of local partners and engaging in effective partnerships.

There are some good early examples of commissioning in Adur and Worthing from which the rest of the organisation can learn.

Fishersgate Voice:

This is a small community-led project developed as part of the Think Family Neighbourhood programme, using external funding. The promotion of Fishersgate and its residents' skills were identified as key needs. Using the principles of co-design, a project was developed with residents which led to the formation of a newly constituted group 'Fishersgate Voice' with the purpose of developing a local community newspaper and online presence. A service specification was developed through an iterative process with the group and the project has just started. However, problems have arisen with the lack of suitably short and succinct contract documentation to enable the Councils and the Group to formally agree to the funding arrangements, which involve less than £5000.

Cancer Awareness:

This commission is worth over £60,000 per annum as part of the Wellbeing Programme. The project specification was developed with a strong emphasis on evidence-based practice. This involved using available research and evidence and mapping local needs around cancer. The project built the principles of social marketing into the approach, using and developing local volunteers (with experience of catching cancer early) to go out and share their understanding with others in the community. The purpose is to raise awareness of cancer signs and symptoms and reduce cancer related deaths.

What is service re-design and why is it important?

The term 'service re-design' is used here to describe the processes involved in scrutinising existing service delivery models and developing new approaches, using 'design principles' that start with the citizen and user. It is important because it provides opportunities to re-think what the Councils do, the services that they provide, the solutions that they commission, and the ways in which they engage and support others. There are five principle options for the delivery of Council services:

- Stop doing it (decommission)
- Buy it from others (outsource)
- Do it for others (be commissioned)
- Do it with others (partnership, joint venture, co-production)
- Do it ourselves (direct delivery)

What is the purpose of a commissioning strategy?

It provides a single overarching approach for how the Councils and others commission solutions and services. It focuses on outcomes for our citizens and commissioning for internal services to support front line delivery that provides excellent value for money. It also provides clarity around what we mean by commissioning, procurement and contract management; sets out our commissioning vision and objectives, and our approach for achieving these; focuses on meeting local needs and delivering value for money, and defines the basic principles which should support all our commissioning decisions

The way we achieve all this is by becoming intelligence led commissioners of solutions and services, focusing on the needs and priorities of our communities now and in the future, and enabling partners and individuals to deliver solutions and services that enhance outcomes and deliver better efficiencies.

What do we aim to achieve?

The development of this strategy is an important step in our ambition to become skilful commissioners, for the following reasons:

- It promotes a framework to support all our services in adopting a consistent, comprehensive and robust approach to commissioning activity, encouraging long term strategic planning.
- It promotes commissioning, procurement and contract management as drivers for the transformation of our services and encourages challenge to existing methods of service delivery
- It positively contributes to delivering efficient and quality improvements through commissioning of excellent and cost effective services
- It sets out how we will work with partners to develop our strategic commissioning and procurement approach across service areas

“To become Adaptive Councils we will become more intelligence led in how we make commissioning decisions and ensure that our strategic drivers (particularly our desire to support our wealth generators and create enterprising communities) influence our approach to sourcing decisions. Rather than an ad-hoc approach to make or buy (or an opportunistic one) we will strategically commission key service areas.” (Alex Bailey, Chief Executive of Adur and Worthing Councils, December 2013).

- It promotes responsible procurement in terms of addressing social, economic and environmental issues, local sustainability, and equality and diversity.
- It provides transparency around the Councils’ commissioning approach and objectives, and its plans to achieve these, acts as a reference point to check progress against meeting these objectives, and enables us to address the significant changes required to become consistently high quality intelligence led commissioners.

Commissioning functions at three levels



Strategic commissioning

This refers to the over-arching commissioning intentions for a population and to whole service commissioning for a local area.

Operational commissioning

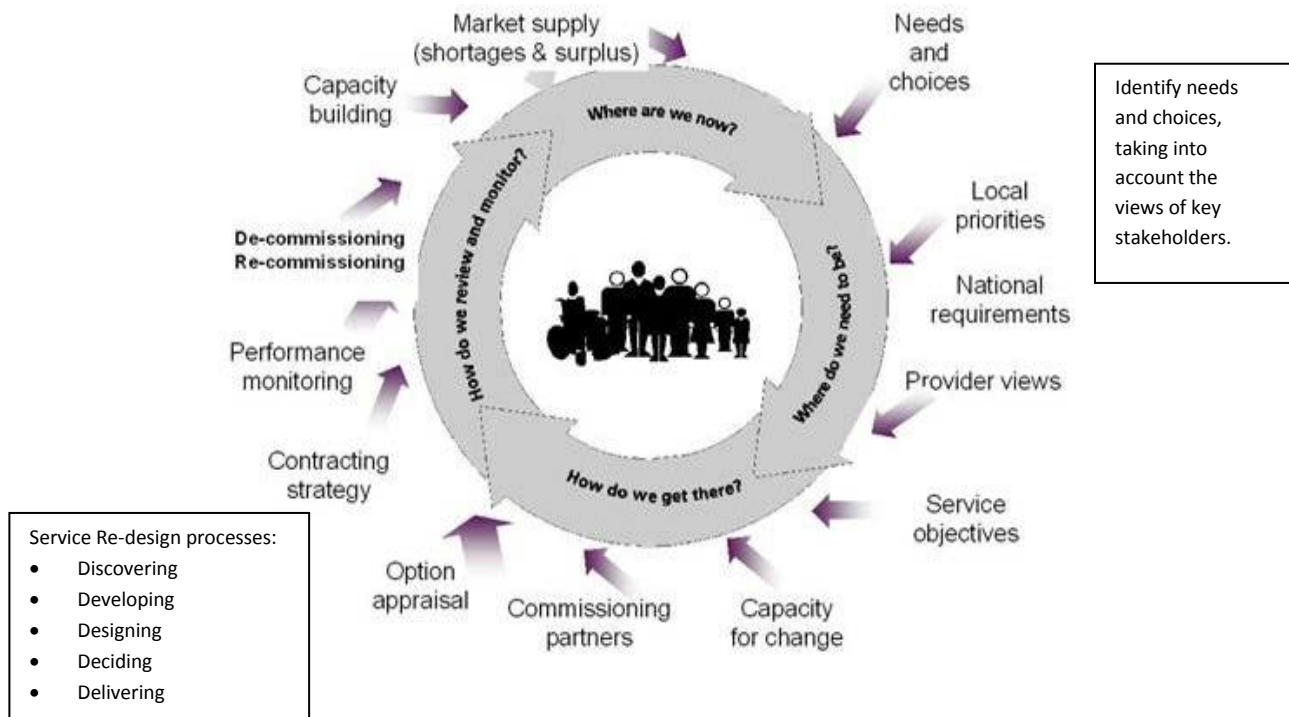
This refers to the aggregation of a set of similar needs into contracts or Service Level Agreements for services through strategic partnering or competitive tendering.

Individual commissioning

This refers to the brokerage of an individual service tailored to a particular need. It can also refer to sourcing and purchasing by those with self-funded services.

The Commissioning Cycle

Effective commissioning forms a continuous cycle of action and improvement, typically starting with a needs assessment looking at the issues at hand and the possible interventions. It moves onto an appraisal (or design) of how to deliver these interventions, leveraging existing assets and bringing new assets to the table through strategic partnerships. It embraces procurement and contract management activity, and looks at whether interventions are successful and what lessons can be learned for future activity. The whole process is often referred to as the commissioning cycle:



Procurement and contract management

Procurement is the process by which we contract with other organisations or businesses to obtain the goods and services required to fulfil our objectives and meet local needs in the most timely and cost effective manner. It forms one stage of the commissioning cycle and represents one of the ways in which we can choose how to deliver our commissioning intentions.

Contract Management is the ongoing management of contracts entered into with suppliers or partners for the provisions of works, goods or services. It includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing any changes or amendments that may arise during its execution. Contract management also forms part of the commissioning cycle and is important in ensuring that the services arranged actually deliver the required outcomes.

Principles and processes

A key principle of the model is that the commissioning process should be equitable and transparent, and should achieve required outcomes. The four key stages of the process are:-

Analyse – understanding the purposes of the services involved, the needs they must address and the environment in which they operate. This element of the commissioning cycle involves activities such as:

- Clarifying the priorities through reviewing national guidance, local strategies and policy statements, and relevant legislation
- Undertaking needs analyses
- Involving users and potential solutions providers
- Mapping and reviewing existing and potential services across the District and Borough to understand provider strengths and weaknesses
- Identify opportunities for innovation and improvement
- Identifying resources needed and risks involved in implementing change and/or continuing with the status quo

Plan – identifying the gaps between what is needed and what is available, and planning how these gaps will be addressed within available resources. This element of the commissioning cycle involves activities such as:

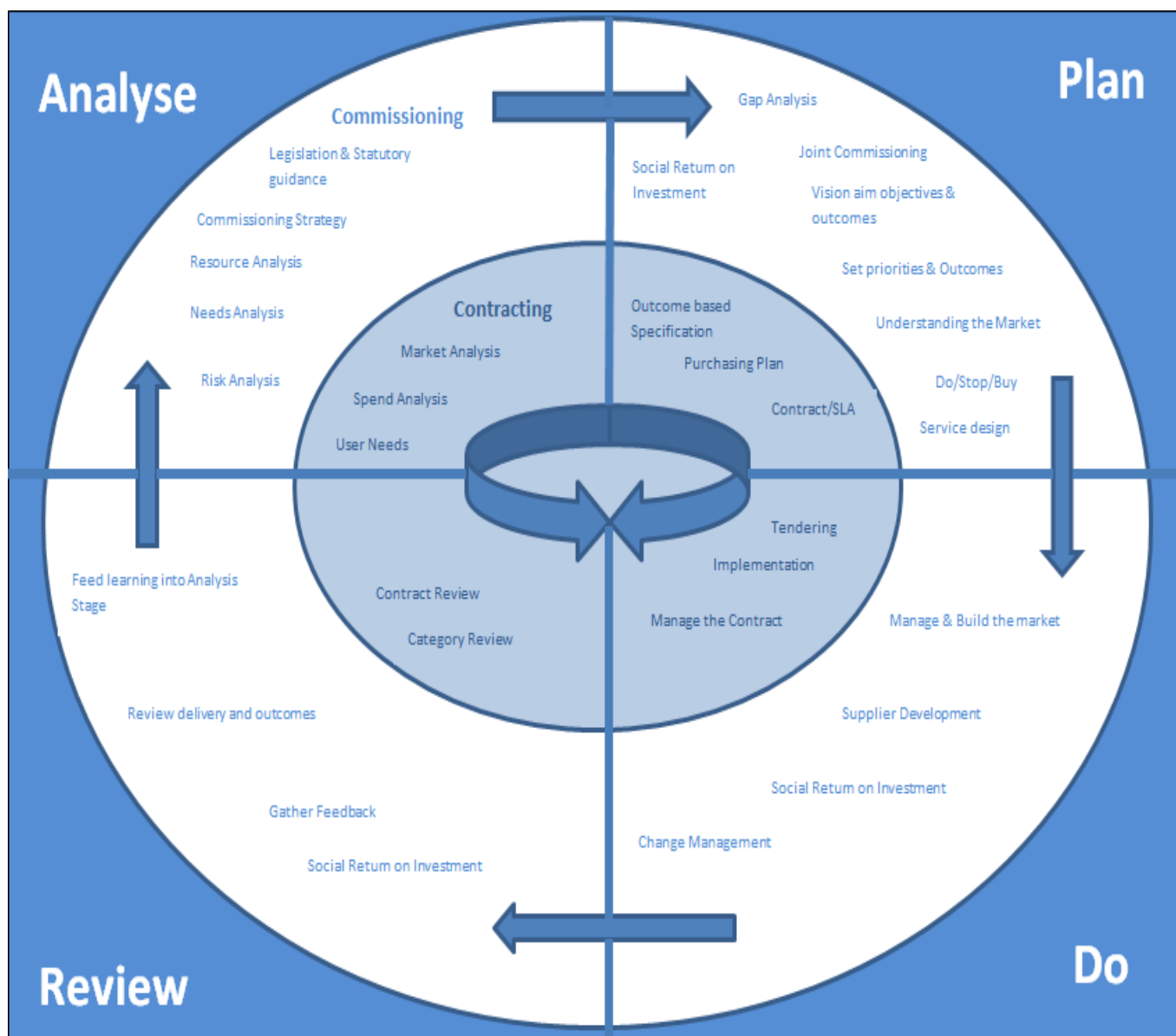
- Undertaking a gap analysis to review the whole system/service and identify what is needed in the future
- Writing a commissioning strategy or report which identifies clear service development priorities and specific targets for their achievement
- Designing, co-designing or re-designing solutions and services (using the design principles outlined below) to meet needs

Do – ensuring that the services or solutions needed are delivered as planned, in ways which efficiently and effectively deliver the priorities and targets set out in the commissioning strategy/report. This element of the commissioning cycle involves activities such as:

- Supply management and capacity building to ensure a good mix of service providers, offering services users an element of choice in how their needs are met
- Developing good communications and effective relationships with existing and potential providers
- Purchasing and contracting, and de-commissioning of services that do not meet the needs

Review – monitoring the impact of services and analysing the extent to which they have achieved the purpose intended. This element of the commissioning cycle involves activities such as:

- Pulling together information from individual contracts or service level agreements
- Developing systems to bring together relevant data on finance, activity, outcomes, and user experiences.
- Analysing any changes in legislative requirements, service user need and reviewing the overall impact of services to identify revisions needed to the strategic priorities and targets



Design Commissioning

Design is integral to the DNA of each and every public service. Design is not a matter of surface appearance. Badly designed services are likely to be inefficient and ineffective. **Design thinking** starts with the citizens and service users. In order to deliver efficiencies and improve social well-being, we need to fully understand customers' needs and behaviours, and the context of the services that we deliver.

The design element of the commissioning process emerges from the initial assessment and planning process. Design thinking helps to overcome structural problems in policy and service provision. Rather than patching solutions disjointedly, design thinking looks at the entire system to redefine the problem from the ground up.

It starts by understanding the customer requirements to ensure that the solutions are appropriate and waste is avoided. Design methods offer effective ways of deciphering which teams, methods and departments are relevant to a problem and how best to engage them in partnership. Design, and the efficient use of processes such as the Lean methodology, is a source of competitive advantage and can help organisations to transform their business performance. Design focuses on services and system approaches rather than materials. It is about what the organisation does rather than what it has. It is about recognising the needs of the customer, ensuring that time and money and staffing resources are not wasted on anything extraneous, and utilising latent assets such as the communities themselves.

Key Considerations:

- ✓ Redesigning individual services to be more user-orientated and to find cost-savings
- ✓ Redesigning what the organisation does as a whole, creating cultural change, moving towards more vision-led and collaborative ways of working
- ✓ Offering new modes of public engagement, or developing the ones we already have to find out what people want, need and are more prepared to do themselves, and to bring citizens on-side so that decommissioning or outsourcing isn't a painful or politically damaging process
- ✓ Joining up strategy with delivery – using lessons learnt from delivery to inform and update policies
- ✓ Empowering employees to create change themselves, increasing staff capability and happiness
- ✓ Providing routes for the Councils to be more entrepreneurial, generating revenue from entirely new service offers or value propositions

Becoming intelligence led commissioners

Becoming intelligence led commissioners is a medium to long term aim; the transformation will not happen overnight. It is a cultural shift that will require us to develop new ways of working within the Councils as well as with our local communities, partners and service providers.

Councils that are good at commissioning do the following things well:

- Understand and challenge needs and priorities
- Challenge existing (and review alternative) service delivery models
- Decommission services where appropriate
- Focus on outcomes
- Influence and have greater impact on the market – encouraging diversity of providers, building capacity and sustainability in the third sector
- Use their purchasing power to promote the public sector equality duty
- Commission in partnership and promote sustainable and responsible procurement
- Co-commission, co-produce and co-design

Understanding and challenging needs and priorities

Meeting local needs, including anticipating future needs, should form the basis of all commissioning decisions to ensure a strategic approach. Customers, service users and suppliers may be a part of this discussion. Understanding current levels of service provision, spend, patterns of demand and use over time, is also vital to make decisions about what services should be delivered in the future.

Key Considerations:

- ✓ Is this product or service needed and if so why?
- ✓ Does it support our wealth generators and help to cultivate enterprising communities?
- ✓ What is happening to local needs?
- ✓ Who uses it and will the requirement change in the future?
- ✓ What are the legislative or regulatory requirements?
- ✓ What is currently being spent on products and services?
- ✓ What resources are available to meet future needs?

Challenging existing service delivery models and reviewing alternative approaches

Once a need for a service has been identified it is important to review and challenge current service provision where it exists to ensure continued value for money. Consideration should be given to any changes in the policy framework or market that may open up new opportunities.

Key Considerations:

- ✓ Does the current service satisfy our strategic aims, and deliver the required outcomes?
- ✓ Does the current service model deliver value for money?
- ✓ What is the Councils' policy on usage and how consistently is it applied?
- ✓ Is there scope to collaborate with others?
- ✓ How effective is current service provision and market?
- ✓ Does the market offer competition, choice and diversity?
- ✓ Should the primary relationship with the provider be with the Councils or with self-funders exercising choice and control?

Commissioning for outcomes

We recognise that part of being competent commissioners means moving to commissioning for outcomes - in order to give greater opportunity for providers to arrange their services in more flexible and innovative ways, the focus should be outcomes instead of the traditional approach to specifying inputs and outputs. Agreed outcomes need to be set out as early as possible in the commissioning cycle and considered at every stage from service user involvement to the final review of the impact that the service has made, so that decisions can be made on more than price alone.

Key Considerations:

- ✓ Where are the Councils now? Where do they need to be?
- ✓ How will contract or service provision be designed to meet future changes in need?
- ✓ How can specifications be designed to enable the Councils to secure service improvements and efficiencies?
- ✓ How can outcomes be measured and contract performance managed?

Decommissioning

Decommissioning is part of the commissioning cycle and should be undertaken in a planned way to ensure that the most effective services are delivered, making best use of the resources available. In some instances, service reviews will lead to the process of ending a service or part of a service and a smooth transition to a new or alternative service delivery model in order to achieve the right outcomes for people. This will enable us to invest in new services in accordance with our strategic commissioning plans.

Key Considerations:

- ✓ Is the service still required?
- ✓ How efficient and effective is the current service delivery model?
- ✓ Have alternative service delivery models been identified

Engaging with “the Market”

The Councils and our partners have a key role in shaping the financial and social economy through our Commissioning Strategy and in its wider community influence in the Adur and Worthing area. We aim to develop relationships with our suppliers that create mutually advantageous, flexible and long term relations based on continuous improvement and financial savings. There are five key approaches to market engagement:

- Developing a deep understanding of key markets
- Engaging with and shaping markets, or creating and developing them
- Encouraging supplier diversity
- Working in partnership with suppliers; and
- Brokering a dialogue between market suppliers and service users

Understanding the market

Improved commissioning and procurement requires a good understanding of what the market can offer. We will analyse and research supply markets for different services to ensure we have a good understanding of capability and capacity issues.

We will also maintain a dialogue with potential providers, including organisations from the community and voluntary sector, aided by the Councils’ Procurement Strategy, which promotes market engagement and the use of supplier and contract management. They can be co-commissioners too.

Through market supplier analysis, we will develop a strategic market development for the products and services our organisations consume. It will aim to remove supply vulnerability as much as possible and maximise our potential buying power.

Sophisticated portfolio purchasing tools will be employed to facilitate smarter sourcing strategies, helping us to determine the types of relationships we should be implementing with our suppliers, and to map our strengths and vulnerabilities to suppliers’ positions in the market. Some of these applications deliver accurate and timely information on spend and contract compliance, while others constitute fully integrated e-sourcing tools.

Market shaping

Effective commissioning also involves working closely with the market to help shape it, so that it is better able to meet the needs of our service users. Sometimes this means helping markets to recognise specific and diverse needs that are not immediately apparent but have emerged as a result of a strategic needs assessment or because service users are dissatisfied with the existing delivery model.

Encouraging diversity of providers

Supplier diversity is essential for a competitive market that can meet the Councils and their service users' requirements and provide value for money. We need to interact with the market and our suppliers in particular, to understand their views and what enables and encourages diverse parts of the market to bid for work with the Councils. At the same time, we need to ensure that our relationships with suppliers are mutually productive and that goals are shared.

Commissioning in partnership

The Councils recognise that successful commissioning and procurement can develop and change supply markets and affect behaviours. To manage this effectively we need to pull together, and act jointly and collaboratively. We acknowledge that working with other public bodies can deliver best value especially in terms of;

- Aggregation of spend to produce economies of scale
- Use of wider experience and greater expertise; and
- Procurement efficiency (avoidance of multiple procurements)
- Better knowledge of needs and markets
- Greater spread of risk
- Increased opportunities for innovation

We would like to see a consistent commissioning approach developing across our neighbouring authorities and we will work with them to ensure our strategies are aligned and that we develop common commissioning behaviours that deliver better outcomes.

We will seek to benchmark and procure in collaboration or through existing consortia arrangements wherever they are available and appropriate and represent best value for money. Our procurement function will seek to ensure that contracts put in place will be open for use by, and provide benefit to, other authorities.

Key Considerations:

- ✓ Can greater efficiency gains be achieved through a partnership approach?
- ✓ Can we improve our spending power and our relationship with suppliers through collaboration?
- ✓ How do we challenge and innovate to get the best outcomes (in some parts this is not yet a particularly innovative organisation)
- ✓ Are there best practice examples?

Working in partnership with suppliers

The strategic objective of partnering is the delivery of better services to citizens through the creation of sustainable partnerships with suppliers in the public, private, social enterprise and

voluntary sectors. We are committed to working with our suppliers in partnership to establish long-term relationships, based on trust and mutual support and endeavour to share risks. We will encourage suppliers to help design innovative services through our strategic commissioning and procurement approach.

Brokering a dialogue between market suppliers and service users

We need to get intelligent about what people want. We need to ensure that what customers are saying to front-line staff about the services we provide is informing what strategic commissioners are doing to develop the market. It may be that feedback gives us information on things that the markets do not currently provide at all.

Key Considerations:

- ✓ Is the market currently providing the required service?
- ✓ Has the market changed since the service was first set up?
- ✓ Is there healthy competition in the market?
- ✓ Can we develop the market further to provide greater value for money?
- ✓ What capacity is there locally to deliver?

Building sustainability in the Third Sector

Adur and Worthing have a diverse range of Third Sector organisations which undertake many different roles from targeted outreach work with particular vulnerable groups in the community, to the delivery of open parks and spaces. The Third Sector plays a vital role in promoting social inclusion, innovation, building trust and tailoring services that better reflect local needs and preferences; it adds value by drawing in volunteers and attracting external funding. At its best, the Third Sector has the capacity to deliver good (and sometimes the best) outcomes, achieve better value for money and secure wider social and economic benefits for the area. The Third Sector is not a homogeneous community. Its members range from small community groups with little experience of commissioning practices to local arms of major national charitable organisations.

There are major barriers that have unnecessarily prevented some Third Sector organisations responding positively to a commissioning led environment. These are:

- Lack of appreciation by commissioners of the range of services that can be provided through the Third Sector market and the unique qualities that the sector offers
- The construction and packaging of contract that tend to favour the largest types of organisations with significant existing infrastructures
- Timescales for responding to commissioning opportunities that are often problematic for smaller Third Sector organisations with limited back-office capacity

- Pre-tender thresholds that are onerous for Third Sector organisations and favour larger more established private sector organisations with significant track records
- Limited acknowledgement of the concept of social capital and how to recognise its value through the procurement process
- Over reliance on prescribed method statements and the absence of outcome-based approaches that leave limited opportunities for the innovation characterised by the Third Sector.

We will work closely with a wide range of Third Sector representatives to address these barriers through early engagement with potential providers when we are considering and shaping our commissioning plans and priorities. We will be realistic about the time required for the voluntary sector to respond, we will adopt flexible approaches to allow for innovation and creativity, we will recognise local social impact in the tender process, and create a more streamlined and proportionate tender process.

Key Considerations:

- ✓ Should the community play a role in providing this service for themselves?
- ✓ Does the Third Sector have equal access to the commissioning opportunity?
- ✓ Do local voluntary and community organisations and those from protected group have the capacity and capability to compete?
- ✓ Is the procurement process proportionate to the service being commissioned>?
- ✓ Does the commissioning process allow for innovation and creativity?
- ✓ Can we use our sourcing analysis to support proactive capacity building where the voluntary sector might fill essential gaps in the market?

Promoting service user and citizen involvement in commissioning

The concept of user or citizen involvement is important to our approach to commissioning. By involving people who will use the commissioned service it is hoped that such commissioning will result in high-quality services that adequately reflect user need. However, although it is generally assumed to be ‘a good thing’ people are not always clear what it means in practice.

The ways in which users of services can improve the quality and effectiveness of commissioning include:

- Informing needs assessment processes
- Helping commissioners build up knowledge of local markets and choice
- Providing feedback into quality assurance processes and activity
- Providing insight into uptake and accessibility of services; and
- Highlighting areas that cross traditional service sector boundaries and contributing to discussion in areas that transcend particular interests

Service users and citizens may simply want their voices to be heard by commissioners and providers by getting involved in consultations, whereas others may be interested in holding bodies to account through elected representatives.

Things that commissioners should ask themselves:

- At what points in the process can we involve service users and citizens?
- What can users tell us about current use, markets, satisfaction levels, quality and reliability?
- How can we involve them in helping us to determine future anticipated need, including looking at new models of delivery?
- Who can represent service users for the purpose of shaping these services – specific to forums or a wider public?
- What adjustments need to be made to involve difficult to engage people or those with additional needs (such as people with learning disabilities) so that we get beyond the ‘usual suspects’?
- What additional support, coaching and information do these people need?
- What is reasonable in terms of what can be asked from volunteers (e.g. involvement in lengthy technical contract evaluations)?
- Have we put in place mechanisms to respect their contribution by informing volunteer users of decisions (based on their input) and thanking them?

Our commissioning commitment

In order to become more intelligence led in how we make our commissioning decisions and to ensure that we support our wealth generators and create enterprising communities, we will strategically commission key service areas by:

- Taking an outcomes-based approach to commissioning
- Understanding the needs and priorities of our citizens, now and in the future and clearly specify our requirements
- Ensuring that value for money and achieving sustainable efficiencies are the foundation of our commissioning solutions
- Involving customers and service users in the planning, design, monitoring and evaluation of services
- Ensuring commissioning takes place at the most appropriate level
- Continuing to be honest about financial and legislative frameworks in which services are to be provided
- Supporting market developments to ensure there is a mixed economy of commissioned services, enabling partners and individuals to deliver services where they can and enhance outcomes and efficiencies

- Building the capacity of our local third sector and small businesses to ensure they have equal opportunity to participate in commissioning
- Promoting investment in the local community through all stages of the commissioning process
- Working jointly with other relevant local and regional commissioners to best secure positive outcomes and value for money for our residents

Social Return on Investment

Social Return on Investment (SROI) is a principles-based method that enables commissioners to identify and value any important factors that are currently excluded from the price of the service, i.e. environmental and **social value** relative to resources invested. It means that our commissioners may assess and value actual or potential outcomes from an activity and use this analysis to inform budget setting, strategic planning, selection of commissioning mechanisms, and evaluation of performance.

SROI provides a means to:

- Map the full range of outcomes of service and consider other relevant outcomes
- Value these outcomes in order to make a comprehensive and informed assessment about value for money
- Frame the discussion on where these outcomes are relevant and how they may be included in commissioning

Social Value

The Public Services (Social Value) Act 2012 came into force in January 2013. The Act requires public bodies (such as local councils) to consider how the economic, social and environmental well-being of the area might be improved and secured when procuring services.

‘Thinking Social Value’ should shift the focus from the bottom-line price or cost of a service towards the overall value of the outcomes delivered. How a service is delivered is taken into account along with what is delivered. Third Sector organisations, charities and social enterprises often have elements of social value hard-wired into them, and studies have shown that this hard-wiring can give them a competitive advantage over private sector organisations when it comes to assessing the overall quality of bids that take account of social value.

The outcome of achieving social value is social benefit. Decisions about commissioning a particular service or funding a project in a particular area focusing on a particular need or requirement in the Councils’ area can create and deliver additional social benefit. These additional benefits can take almost any form, ranging from the very tangible, such as jobs for

the long-term unemployed, or sub-contracting opportunities for small businesses, to less quantifiable but equally important benefits, such as engagement with communities or groups of individuals who might otherwise feel entirely disengaged.

We can use Social benefits to bring long term good to Adur and Worthing by:

- Creating skills and training opportunities, for example, apprenticeships or on-the-job training
- Creating employment opportunities for the long-term unemployed
- Offering work placements to school children and young adults
- Providing careers advice and information for young people
- Offering curriculum support to schools, with contractors sharing knowledge and expertise about their disciplines
- Providing additional opportunities for individuals or groups facing greater social or economic barriers
- Creating supply chain opportunities for SMEs, social enterprises and other third sector organisations
- Improving market diversity
- Encouraging community engagement
- Supporting initiatives like targeting hard to reach groups
- Making facilities such as computers available to targeted groups that otherwise would struggle to access them
- Encouraging ethical and fair trade purchasing.

Service Re-design and New Models of Service Delivery

At the beginning of this paper we identified that the principle options for the delivery of Council services are:

- Stop doing it (decommission)
- Buy it from others (outsource)
- Do it for others (be commissioned)
- Do it with others (partnership, joint venture, co-production)
- Do it ourselves (direct delivery)

We will re-think and re-design service delivery models, and scrutinise existing services, using the following five-stage business/service planning process.

The Five Ds

Discover	Develop	Design	Decide	Deliver
Scoping	Workshops	Generating Options	Producing the Business Case	Implementation
Meet staff and managers Review existing strategies, plans and outcomes Consider existing partnerships and stakeholders Conduct discovery workshops	Test ideas Customer exploration Evaluate products Establish value in assets, staff and services Agree key drivers	Scope and scale options Prove VFM case Analyse market Appraise options Identify preferred service delivery model	Business Model Canvass Business Case (defines product, commercials, business model) Approval from programme Board Executive sign-off	Create new model (incorporation, articles, SLAs, etc.) Deliver as per mobilisation plan Shareholder Board to sign off

Selection and prioritisation for service redesign

Corporate Leadership Team will select and prioritise services for scrutiny by the new Productivity and Innovation Unit on the basis of scale and cost, value for money, and customer

experience. Commercial activities will be expected to make a profit and statutory services will be expected to cover their costs, unless there are overriding social considerations. There may also be unspecified 'windows of opportunity' to develop new service delivery models in other service areas. A new service planning pro-forma has been developed for the 2014-2017 planning cycle with the aim of consolidating this new more integrated and agile approach to supplying or commissioning efficient, effective services and solutions.

Leveraging CSR Opportunities in Partner Organisations

Corporate Social Responsibility (CSR) is the commitment by an organisation or business to behave ethically and contribute to the social and economic development of the workforce and their families as well as of the local community and society at large. CSR represents a potential opportunity for the Councils to support the policies of some of our major providers, facilitating their investment in our local community through actions such as providing work experience for local unemployed people, or building capacity in local Third Sector organisations.

In the past we have relied on legislation and regulation to deliver social and environmental objectives in the business sector. A more competitive environment and a move towards greater alignment of providers to commissioners' values have led to the exploration of more voluntary and non-regulatory initiatives.

The Councils are mindful that there is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. The commissioners of public services need to apply the same thinking.

CSR can deliver benefits such as employment in the immediate local environment, added value through greater material recyclability and the use of renewable resources, higher environmental management standards, eco-labelling and other practical commitments to sustainability. Companies will be encouraged to seek out CSR in their own supply chain – for example by local sourcing of goods and materials and by being more ethically responsible.

Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis, generating benefits to the organisations but also to society and the economy, while minimising damage to the environment.

Key Considerations:

- ✓ How can investment in the local community be embedded in the commissioning process?
- ✓ Is the planned commissioning process in line with the Council's environmental policy?
- ✓ Are our strategic objectives being met through the commissioning of this service?

Governance and Implementation

While the commissioning of significant services will involve a range of key stakeholders and necessitate rigorous governance arrangements, there is also a need for agility and scalability in the treatment of smaller commissions. Heavy bureaucracy, such as excessively legalistic approaches to service level agreements and laborious approval procedures, has the potential to discourage local providers. *Catching the Wave* refers to cutting unnecessary 'red tape' while retaining sound and accountable governance.

Consequently, a number of small pilot commissioning exercises are being progressed with a view to sense-checking this framework and developing the associated resources. As this document explains, becoming intelligence led commissioners is a medium to long term aim and will not happen overnight.

Ends

OUTLINE FORECAST 2015/16 TO 2019/20 AND BUDGET STRATEGY

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

- 1.1 The purpose of this report is to outline the key financial challenges that the Councils will need to face over the next 3-5 years, propose a budget strategy for managing the emerging issues in 2015/16, and set a broad financial policy framework which will inform the Medium Term Financial Plan for the next 5 years.

2.0 BACKGROUND

- 2.1 Members will be aware that both Councils have successfully managed to maintain a balanced budget over the recent years despite considerable financial challenges. Both Councils have not increased Council Tax for the past four years, indeed last year Adur District Council reduced Council Tax by 1%

- 2.2 However, the financial pressure continues. The Councils expect to receive a further reduction in overall funding of around 15% in 2015/16, with further reductions in funding in the following four years. Local Government funding has changed substantially over the past four years. The Councils now receives four distinct major funding streams which are discussed more fully later in the report:

- Business Rates;
- Revenue Support Grant;
- New Homes Bonus; and
- Council Tax

However, with a general election in 2016/17, the future of some of these funding streams is uncertain. Nevertheless, given various policy announcements, it is inevitable that overall funding from Government will reduce in future.

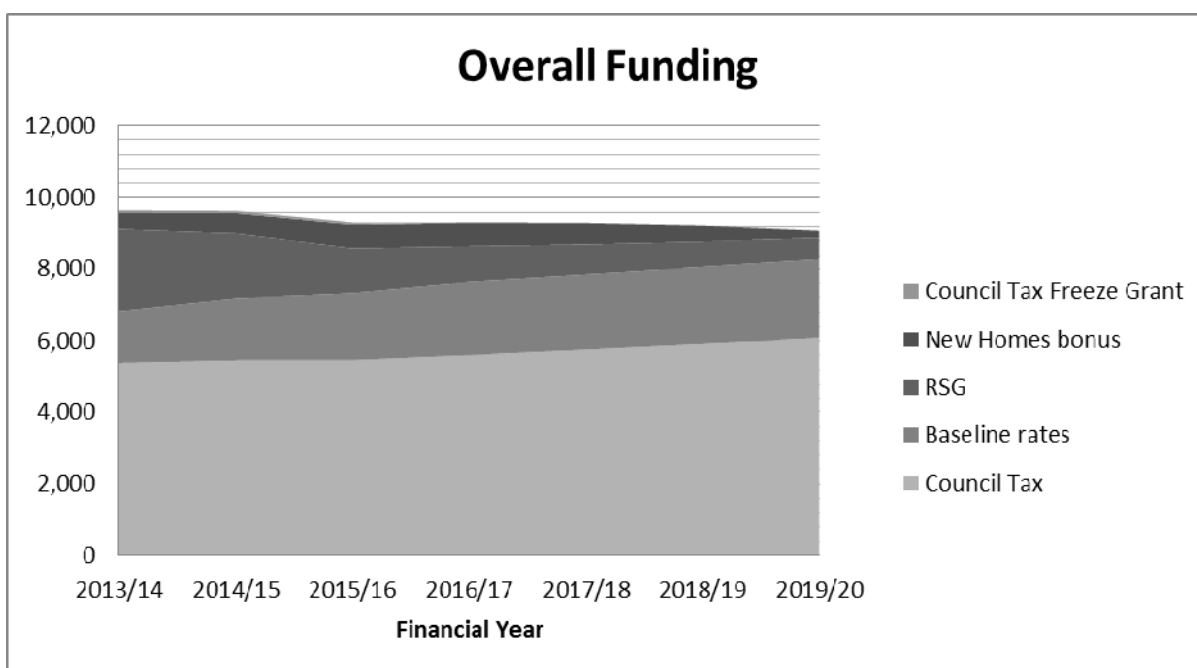
- 2.3 Members are being asked to consider the 2015/16 strategy at an early point in the year to enable the council to plan ahead. In addition, given the difficult prospects for the next five years, the focus over the coming months will be on developing a strategy to balance the budget in the medium term.
- 2.4 There are clear advantages in this approach, not least because it gives members and officers a good understanding of the overall financial position of the Council as well as giving sufficient time to consider how the challenges identified will be met.

3.0 FINANCIAL CONTEXT

3.1 The Local Government Finance landscape has changed profoundly over the two years due to three factors:

- The introduction of Business Rate Retention Scheme
- Localising Council Tax Support (Council Tax Benefit)
- The continuing reduction in Revenue Support Grant

The make up of funding to the Councils is changing with increasing proportions coming from Council Tax, Business Rate Retention and potentially the New Homes Bonus. Revenue Support Grant will reduce significantly over the next 5 years and by 2019/20 will form less than 10% of the Councils overall funding. Some analysts believe that by the end of the decade, the Councils will have no revenue support grant. The following chart shows these changes using Adur District Council as an example, although the pattern of change is the same for both Councils.



These changes to local government funding have influenced how the Councils view both the building of new homes and the creation of new employment space. The increasing importance of economic development to the Council not only informed the Councils priorities, which were refreshed last year, but is a major plank of the Chief Executive's 'Catching the Wave' initiative.

3.2 Central Government policy and funding:

3.2.1 Overall context

Members are well aware of the challenges presented by the 2010 Comprehensive Spending Review which detailed an overall reduction in funding for Local Government of 28% in real terms over the four years 2011/12 – 2014/15. This trend was continued on in the Comprehensive Spending Review announced on the 26th June 2013 which confirmed that the reduction would continue on into 2015/16.

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

	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%
Total Government Funding	36.8	35.1	-4.6%	-6.5%

The 2014 settlement in January confirmed the likely level of funding that the Councils would receive in 2015/16 and so the Council has some certainty for the forthcoming year.

The Chancellor's Budget statement in March 2014 contained no significant announcements about Local Government Funding which will impact upon the development of the Councils' budgets. However the content of the budget did reinforce the fact that we are barely halfway through the fiscal consolidation, and achieving the forecasts in the national Budget will depend both on the continuation of the growth in the UK economy, and the achievement of some significant savings targets. Consequently, there will be further savings to achieve in the next Parliament.

However, Members are reminded that the Budget in 2013 contained two announcements which will impact on the 2015/16 and 2016/17 budgets:

- The Government will extend the restraint on public sector pay for a further year by limiting increases to an average of up to 1 per cent in 2015-16. This will apply to the civil service and workforces with Pay Review Bodies. Local government and devolved administration budgets will be adjusted accordingly in the Spending Round
- The Budget 2013 confirmed that from 2016-17 the ability for members of a defined benefit occupational pension scheme to 'contract out' of the State Second Pension will end. The end of the National Insurance discount when the flat rate pensions come in is expected to cost to the public sector as a whole £1.4bn and local government will be expected to absorb its share. The cost to the Councils will be approximately 3.4% of the pay bill.

Consequently, the Councils will see no easing of the financial pressures in the medium term.

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

3.2.2 Revenue Support Grant

Over the past 5 years the Councils have seen government funding reduce by nearly 50%, although the picture is obscured by the number of grants that have been consolidated recently into the base grant and the separation out of '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	1.771
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	2.893
Annual reduction		0.662	0.376	0.291	0.516	0.273
Annual percentage reduction		16.02%	10.84%	9.41%	16.68%	18.41%
Cumulative total			1.038	1.329	1.845	2.118
			25.12%	32.16%	44.65%	51.28%

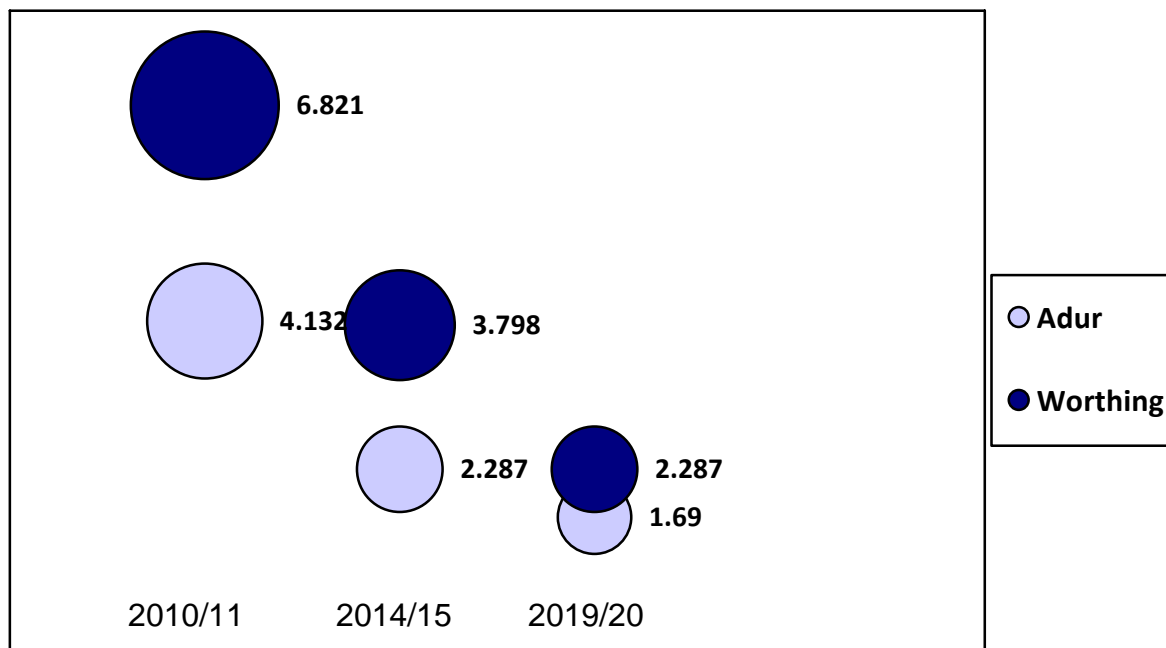
Worthing Borough Council	2010/11 (adjusted)	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m	£m
Revenue Support Grant and 'baseline funding' *	6.821	5.720	5.046	4.582	3.798	3.020
Council Tax Freeze Grant 2011/12		0.212	0.210	0.210	0.209	0.209
Council Tax Freeze Grant 2013/14					0.087	0.087
Homelessness grant				0.149	0.147	0.146
Council Tax Support Grant				0.947	0.947	0.947
		5.932	5.256	5.888	5.188	4.409
Annual reduction		1.101	0.674	0.464	0.784	0.778
Annual percentage reduction		16.14%	11.78%	9.20%	17.11%	20.48%
Cumulative total			1.775	2.239	3.023	3.801
			26.02%	32.83%	44.32%	55.72%

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

Looking further ahead, it is expected that trend of reducing Revenue Support Grant will continue:

Total core government funding (£m)



Within the outline forecast the following fall in Revenue Support Grant is assumed.

2016/17	2017/18	2018/19	2019/20
-20%	-15%	-15%	-15%

However, the overall reduction is very much dependent on the forthcoming General Election and how this impacts on the future of Local Government Finance. This will be reassessed once the details of the next Comprehensive Spending Review are known which is not due until 2016/17 at the earliest.

A 1% difference in grant in 2015/16 is equivalent to £12,800 for Adur District Council and £19,500 for Worthing Borough Council.

3.2.3 Council Tax

Council Tax is now the Councils' major source of income. By 2019/20 it will be over 65% of the total general income received by the councils. Consequently, there is an ever increasing strategic significance to the annual debate of how much to increase the Council Tax by.

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

3.2.3 Council Tax

The Councils have frozen or reduced Council Tax over the past four years in line with Government policy. In the first year, the Councils were fully reimbursed for the impact of freezing the Council Tax, however in subsequent years the Council has only received compensation of 1%. In 2012/13 and 2014/15 the council tax freeze grant was limited to two years only.

The Councils are well aware of the long term consequences of these decisions. Overall the acceptance of the Council Tax freeze grant for four years has cost the Councils significant potential additional council tax income:

ADUR DISTRICT COUNCIL	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
If Impact of freezing Council Tax in 2012/13, 2013/14 and reducing in 2014/15					
Net Council Tax income	5,486	5,610	5,765	5,924	6,088
Grant from government	126	63	63	63	63
Total income	5,612	5,673	5,828	5,987	6,151
If council tax had been increased by 2.5% in 2012/13 and 2.0% in 2013/14 and 2014/15					
Net Council Tax income	5,847	5,979	6,144	6,314	6,488
Income foregone	-235	-306	-316	-327	-337

WORTHING BOROUGH COUNCIL	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
If Impact of freezing Council tax in 2012/13, 2013/14 and reducing in 2014/15					
Net Council Tax income	7,777	7,964	8,196	8,426	8,671
Grant from government	175	175	87	87	87
Total income	7,952	8,139	8,283	8,513	8,758
If council tax had been increased by 2.5% in 2012/13 and 2.0% in 2013/14 and 2014/15					
Net Council Tax income	8,292	8,491	8,738	8,984	9,245
Income foregone	-340	-352	-455	-471	-487

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

3.2.3 Council Tax

However, the decision whether to freeze Council Tax is a finely balanced one. The Council has a policy of keeping Council Tax low and the cost of freezing council tax in any particular year is fairly low, but the cumulative impact is growing. Therefore the Councils are faced with the dilemma of increasing Council Tax or finding additional savings to support another Council Tax freeze

Indeed the budget consultation last year indicated that the local communities were broadly supportive of a Council Tax increase when the following question was asked:

‘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...

	Adur District Council		Worthing Borough Council	
A small increase which will help the Councils to protect priority services	434	(58.8%)	796	(60.9%)
To freeze Council Tax for the fourth year in a row and cut services	304	(41.2%)	511	(39.1%)

Finally, Members are reminded of the referendum limit. The Chancellor announced in June 2013 and confirmed this year 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.’

So even if the Councils were minded to increase Council Tax, there is an imposed limit on the actual increase that the Councils can make. Members should be aware that a 1% change in Council Tax is equivalent to £63,000 in Adur and £87,000 in Worthing for 2014/15.

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

3.2.3 Council Tax

The current outline forecasts assume that the Councils will set the following increases over the next 5 years:

2015/16	2016/17	2017/18	2018/19	2019/20
1.5%	2.0%	2.5%	2.5%	2.5%

However in recognition of the difficult financial position that many local residents experience this can be reduced if sufficient savings are found or the reduction to local government finance is not as severe as expected.

Appendix 2 compares the average Council Tax paid in the District and Borough to other district councils in West Sussex, and shows both Councils to be amongst the lowest.

3.2.4 Baseline Funding and Business Rates Retention

2013-14 saw the introduction of the new Business Rates Retention Scheme. There are two aspects of this scheme which will influence the Councils budget:

1. **Baseline funding:**

The minimum amount of funding from business rates that the Council can keep in any given year is known as 'baseline funding'. Baseline funding is set to increase with inflation every year under the new system

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	1,574	1,617	1,657	1,699	1,741	1,785
Worthing	2,398	2,464	2,526	2,589	2,653	2,720

2. **Target income from Business Rates:**

Every year the Councils are now set a target by Government of how much business rates to collect. If this target is exceeded, the Council can keep 20% of the additional income. If there is a shortfall, then the Councils will have to make up 40% of the difference, although the maximum loss of income is limited to 7.5% of baseline funding.

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

3.2.4 Baseline Funding and Business Rates Retention

2. Target income from Business Rates:

The Councils have now developed a five year model for business rate income which underpins the 5 year medium term financial plan. This includes the impact of larger developments currently being built and any new charitable reliefs being awarded. A summary of the expected additional business rates is detailed below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	142	243	372	378	390	400
Worthing	172	246	413	418	433	444

Further details can be found in **Appendix 4**.

Members should be aware that there is significant volatility around such aspects of the system as appeals which make it difficult to forecast income with accuracy.

One of the features of the new system is that the Councils determine how much Business Rate that they are entitled to from the Collection Fund at the outset of the new financial year. Once set, this total cannot be changed irrespective of any changes to the net business rate income within the year. This is similar to how Council Tax is treated.

The Government is now compensating the Councils, via a S31 grant, for income lost as a result of changing business rate reliefs including the introduction of the retail relief. This is a particularly problematic when a new relief is announced mid-year. For example, when Business Rate Relief was doubled late last autumn, the Council was compensated via a grant paid directly to the General Fund. Whilst this provided the Council with unexpected additional income in 2013/14, it has also meant that the Collection Fund will be in deficit at the end of 2014/15 which will have to be recouped in 2015/16.

It is intended to reforecast the business rate income over the summer months and to project forward the impact of new developments where planning permission has been granted but building has not yet started. Clearly, if the income from business rate income improves in 2014/15, then the surplus could be used to support the budget in 2015/16.

3.0 FINANCIAL CONTEXT

3.2 Central Government policy and funding:

3.2.5 New Homes Bonus

The Coalition Government introduced the New Homes Bonus in 2011/12 which is specifically targeted at rewarding increases in the Council Tax base and dealing with empty properties. Both Councils will continue to benefit from this as each year's grant is paid over a 6 year period as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	566	566	566	504	351	107
Worthing	835	835	835	562	390	170

In addition, the Councils should be entitled to a fifth tranche of grant to be paid from 2015/16 onwards. An allowance is currently built into the budget based on the expected number of new homes being built in the respective areas. As members are aware, there are a significant number of new homes being built, particularly in the Worthing area. There will be a re-assessment over the summer months of any changes to entitlement.

It is uncertain what will happen to the New Homes Bonus post 2015/16 with a new Government in place. The original scheme was for the duration of the current Comprehensive Spending Review with no commitment beyond that. One dilemma faced by Government is that the overall funding available to Local Government is being reduced; consequently there is a question about for how long the Government will be able to financially sustain the scheme.

The current forecast assumes that scheme will cease in 2015/16.

3.3 Reserves Position

Both Councils have a clear policy to maintain balances at a minimum level of 6% and a maximum level of 10% of net expenditure. The level of General Fund working balance as at the 1st April 2014 was:

	Adur	Worthing
	£'000	£'000
Working balance	859	844
Net budget	9,683	13,977
Percentage held	8.9%	6.0%

In addition to the General Fund reserves, the Councils can access other major reserves to help smooth the impact of Council Tax increases and levels of savings necessary:

3.0 FINANCIAL CONTEXT

3.3 Reserves Position

- The Capacity Issues Fund which was set up to help the Council cope with a range of cost pressures including cushioning the impact of the recession and to fund one-off initiatives (both Adur District Council and Worthing Borough Council);
- The Partnership Development Fund which was set up to fund any set-up costs associated with the partnership (Adur District Council only);
- The Special and Other Emergency Expenditure Reserve which was set up to fund any strategic or one-off expenditure that may arise (both Adur District Council and Worthing Borough Council).

Assuming that no further withdrawals are approved from these reserves, it is estimated that the balance available to support the budget will be:

	Adur District Council		Worthing Borough Council	
	Balance as at 31-Mar-14	Uncommitted resources*	Balance as at 31-Mar-14	Uncommitted resources*
	£'000	£'000	£'000	£'000
Capacity Issues Reserve	1,866	718	2,015	742
Partnership Development Fund	52	52	-	-
Special and other emergency expenditure reserve	350	310	149	75
TOTAL	2,268	1,080	2,164	817

* This allows for approvals to use the resources from 2015/16 onwards including the funding of carry forwards, the continuing impact of the New Ways of Working project, and the funding of the new gypsy and traveller site. It does not allow for any contributions to reserves arising from underspend.

4.0 KEY BUDGET PRESSURES IN THE NEXT 5 YEARS

4.1 The Councils have a number of key financial issues that need to be addressed over the coming 5 years. Most of these were highlighted in the revenue budget report presented to Members earlier this year, and arise not from increasing service levels or delivering new services, but simply from maintaining current services. The most significant of these impacts are detailed below:

4.0 KEY BUDGET PRESSURES IN THE NEXT 5 YEARS

4.2 Pay and Prices

4.2.1 The largest source of cost pressure comes from inflation. General inflation is currently at 1.5% (CPI) which is below the target 2% set by the Bank of England. The Bank of England expects inflation to continue to stay just below the threshold in 2014/15 and gradually move back towards the 2% target rate in 2015/16.

The following pay and price inflation allowances have been built into the 5-year forecast which reflects the forecast provided by the Bank of England and the announcements from the Chancellor:

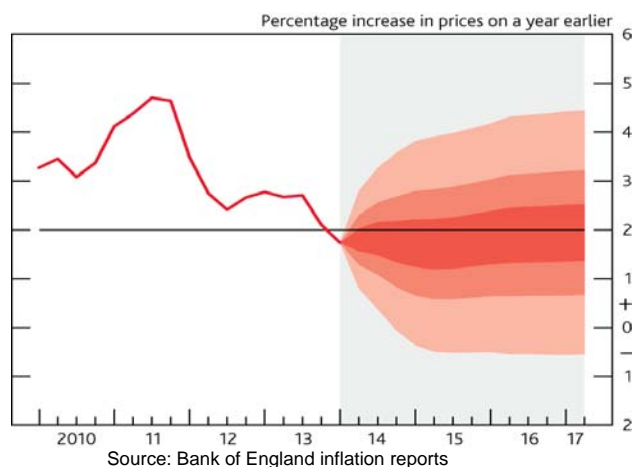
	2015/16	2016/17	2017/18	2018/19	2019/20
	%	%	%	%	%
Pay*	1	2	2	2	2
Supplies & Services	2	2	2	2	2
Income	2	2	2	2	2

* An additional allowance for increments has been included in each of the budgets as follows:

Adur	Worthing	Joint Strategic Committee
£'000	£'000	£'000
50	90	325

Increment costs have increased in recent years due to the impact of regradings and moving staff to the single pay structure. This is reassessed annually.

Forecast year on year inflation (CPI) as at May 2014:



Income is assumed to increase by 2.0% in 2015/16 which will help to offset the increases above.

4.0 KEY BUDGET PRESSURES IN THE NEXT 5 YEARS

4.2 Pay and Prices

Overall net pay and price inflation is expected to add to the base budget in 2015/16 which will aggregate up until 2019/20 as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Adur*	250	606	971	1,340	1,729
Worthing*	322	829	1,351	1,881	2,437
Note:					
Joint Services	604	1,359	2,135	2,918	3,739
* (included above)					

It is difficult to be certain about inflation at this early point in the year. A 1% difference in the inflation assumptions is equivalent to:

	Adur	Worthing	Joint
	£'000	£'000	£'000
Pay	20	59	189
Supplies and Services	35	110	61
Income	-55	-181	-45
Total	-	-12	205
Share of joint inflation	82	123	-205
OVERALL TOTAL	82	111	0

4.3 Pension Costs

The last revaluation of the pension fund was in 2013/14 and will increase the employer's contribution with the increase introduced in phases over the three years 2014/15 – 2016/17. The total West Sussex fund was 86.4% funded at this valuation.

Overall, the pension costs are set to increase as follows over the next two years:

Cumulative pension increase:	2015/16		2016/17	
	%	£'000	%	£'000
Adur*	1.0%	62	2.0%	127
Worthing*	0.5%	112	0.5%	206
Note:				
Joint Services	1.0%	152	2.0%	311
* (included above)				

4.0 KEY BUDGET PRESSURES IN THE NEXT 5 YEARS

4.4 Impact of the Capital Programme

The General Fund capital programmes are currently funded through a combination of prudential borrowing and capital receipts supplemented by specific grants, contributions. The five year forecast assumes a programme of £1.0m per year for Adur District Council and £1.5m for Worthing Borough Council. This reflects concerns about affordability in the medium term.

In addition, within the capital strategy, Adur District Council has allocated £3.6m to the Housing Investment Programme for Adur Homes

Each £1m of borrowing is estimated to cost £22,500 in the first year and £110,000 the year after, although the cost is dependent on the prevailing rate of interest and the life of the asset acquired. (Based on a 4.50% interest cost and 15 year asset life)

4.5 Interest rates

The prospects for interest rates have improved slightly recently due to improvements in the economy although our treasury management advisors consider that the increases will be limited and gradual. It is unlikely that the rates will revert back to 5% in the medium term, the rate seen before the 2008 banking crisis. Built into the 5 year forecasts are the following assumptions regarding average interest rates:

	2015/16	2016/17	2017/18	2018/19	2019/20
Average interest rates	1.00%	1.50%	1.75%	2.00%	2.25%

Each 1% change in interest rates is equivalent to £100,000 (based on £10,000,000 investments).

4.6 Summary of Cost Pressures

The overall estimated budget shortfall for both Councils for the next five years is as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Adur*					
Overall cumulative shortfall	498	1,289	1,686	2,252	2,805
Annual shortfall	498	791	397	566	553
Total income estimate	9,316	9,314	9,301	9,231	9,094
Annual Shortfall (%)	5.35%	8.50%	4.27%	6.13%	6.09%

4.0 KEY BUDGET PRESSURES IN THE NEXT 5 YEARS

4.6 Summary of Cost Pressures

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Worthing*					
Overall cumulative shortfall	476	1,308	2,044	2,770	3,470
Annual shortfall	476	832	736	726	700
Total income estimate	13,704	13,683	13,477	13,416	13,350
Annual Shortfall (%)	3.47%	6.08%	5.46%	5.41%	5.25%

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Joint Services**					
Overall cumulative shortfall	902	2,488	3,588	4,788	6,018
Annual shortfall	902	1,586	1,100	1,200	1,230
Total income estimate	20,487	20,333	20,028	19,628	19,236
Annual Shortfall (%)	4.40%	7.80%	5.49%	6.11%	6.40%

* Both the forecast for Adur District Council and Worthing Borough Council include the respective share of the cost of the Joint Strategic Committee.

** The overall income to the joint committee has been reduced in line with the average reduction for the constituent councils.

The full 5-year outline forecasts are shown at **Appendix 3**.

It is important to note that, at this early point in the year, the figures are indicative only and will certainly be changed as the year progresses. It is intended to present an updated picture in the autumn.

4.7 Budget risks

In addition to the issues quantified above, there are also a three other key risks that Members should be aware of:

4.0 KEY BUDGET PRESSURES IN THE NEXT 5 YEARS

4.7 Budget risks

(i) Non-achievement of existing saving commitments

At the time of preparing the 2014/15 budget, the plans for savings included the following items:

- **Grounds Maintenance Review:**
Members had previously asked that the overall budget for Grounds Maintenance be reduced by £63,000 for Adur District Council and £500,000 for Worthing Borough Council. The service struggled to make this level of saving in 2014/15, overspending by £416,000 in the 2014/15 Worthing Borough Council accounts. The budget was partially restated by £300,000 in 2014/15 and there are clear plans to produce the remaining savings required. Progress will be reviewed throughout the year.
- **Theatres:**
Contained within Worthing Borough Council budget is assumed an overall improvement in the performance of the theatres of £154,000 per year following the theatres review. However, the outturn report revealed that the theatre operations had overspent by £222,000 in 2012/13 and £484,000 in 2013/14. Consequently, the progress of the theatres is being closely monitored with a detailed management action plan in place and preliminary indications are that the position is improving in the current financial year.

(ii) Pay inflation

Whilst the 5 year forecast assumes a 1% pay increase for 2015/16, Members should be aware that this will be the fifth successive year of only limited pay increases for staff (other than increments for some). The Unions are becoming increasingly discontent at such limited pay increases and this year there will be some industrial action. There is likely to be increasing pressure from the unions for higher increases in the future

5.0 OPTIONS FOR ADDRESSING THE BUDGET GAP IN 2015/16

- 5.1 The Councils will need to identify significant savings over the next 5 years; this is without building any additional capacity to deliver new or improved services. The Councils also wish to keep future Council Tax increases low.
- 5.2 However, the two Councils are well aware of this challenge and embarked on developing a strategy to balance the budget without reliance on reserves. With this in mind, both Councils commissioned several reviews which have been progressed and are now coming to an end.

5.0 OPTIONS FOR ADDRESSING THE BUDGET GAP IN 2015/16

5.3 With a new Council Leadership Team now in place, there will be an opportunity to develop new initiatives and it is intended to report later in the year on any proposed changes to the strategy. In the interim, the budget strategy will finish the current strands of work and develop a new focus on commercial activities as follows:

1. **Major Service reviews** previously commissioned by the Budget Advisory Groups.

There are still two service reviews with outstanding work to complete:

a. Leisure provision (Worthing only)

The recent report to JSC approved the transfer of Worthing Borough Council's Leisure Services to a trust with effect from the 1st April 2015. There will be significant potential financial benefit to Worthing Borough Council arising from the transfer, however there is still the need to invest in Worthing Leisure Centre and so part of the saving will be required to fund the works needed. Consequently, the outline forecast assumes a net saving of £250,000.

b. Grounds maintenance (Worthing only)

The Grounds Maintenance budget was restated by £300,000 in recognition of the difficulty of meeting the savings target of £500,000. However, there is an expectation that the service will gradually reduce its costs over the next few years towards the original savings target set.

2. **Efficiency reviews**

The major reviews still being implemented include:

a. Accommodation strategy (NWoW project):

There are still two outstanding strands of the project to complete, namely:

- The completion of the Adur civic presence which is currently due to finish in July 2015; and
- The sale of Adur Civic Centre.

Without the completion of these strands, Adur District Council will not lever in the expected financial benefits. The overall project is currently being financially reviewed and an update of the financial performance of the project will be included as part of the next budget update report.

b. Administrative arrangements - a pilot project is currently underway in Customer Services to redesign, automate and centralise routine administrative activities.

A new programme of review work is being developed by the Head of Productivity and Innovation.

5.0 OPTIONS FOR ADDRESSING THE BUDGET GAP IN 2015/16

3. Base budget review

Adur District Council under spent considerably in 2013/14 (either by controlling expenditure or increasing income), and whilst Worthing Borough Council overspent, once the cost pressures associated with the overspend in Theatres and Grounds Maintenance are stripped out, there was an underlying underspend in the rest of the services.

	Under / Over (-) spend
	£'000
Adur	539
Worthing	-300

* £600,000 underspend excluding theatres and grounds maintenance.

Whilst a considerable proportion of these savings have already been built into the 2014/15 budget, there are still areas of under spend and additional income which can be used to contribute to the overall budget shortfall. As part of this work, the current vacancy saving target will be revisited.

4. Procurement review

In line with the Councils priority to 'Drive continual improvement and efficiencies in services particularly in procurement and contract management', the Council is working with IESE to review the Councils approach to procurement with a view to:

- Reviewing the current Procurement strategy;
- Undertaking a detailed financial analysis of the Councils' external spend and indications of where procurement savings are likely;
- Identifying the potential for negotiating existing contracts to realise efficiencies.

The clear intention is to identify potential 'procurement savings' within existing budgets where possible thereby protecting front-line services.

5.5 However, to balance the budget in 2015/16 it is proposed to develop a new strand of budget work is introduced to promote a greater emphasis on income generation.

Commercial Services:

There are three elements to this new area of work:

- Existing fee earning services will be reviewed:

5.0 OPTIONS FOR ADDRESSING THE BUDGET GAP IN 2015/16

Commercial Services:

- Services which either have fees set by central government or can only breakeven by statute will be reviewed to ensure that income is sufficient to cover costs. This includes Land Charges, Building Control and Development Management.
- Services which have an agreed public subsidy (e.g. theatres) will be reviewed to ensure that the net cost of the service can be contained within the agreed subsidy and that the subsidy is reduced over time.
- Services which operate on a commercial basis will be encourage to maximise profit margins where possible.
- The Council will look for new income generating opportunities. Examples of potential projects include the construction of an AD plant and the construction of a pet crematorium.
- The Council will look for development opportunities for owned land. For example both Councils own land which could be developed in partnership to provide accommodation which could be rented out to generate an income stream which potentially could exceed that generated through investment of any sale proceeds.

5.6 Given the scale of the emerging financial challenges over the next 5 years, in tandem with the above, the Councils will also need to carefully consider which of the discretionary services contribute to the Councils' overall priorities and progressively move support away from non-priority services.

5.7 The Councils currently have uncommitted reserves of:

	£'000
Adur	1,080
Worthing	817

So, there remains the option to use some reserves to smooth the impact of the savings required. However, any use of reserves can only be regarded as a short-term and non-sustainable solution and should have due regard to the level of reserves available. At this point of time in the budget cycle, it is not proposed to use reserves to balance the budget in 2015/16, but to set challenging targets for savings. This will be revisited in the autumn when the options for savings emerge and the Council has a clearer understanding of the financial challenges ahead.

5.8 A summary of the position for 2015/16 is therefore:

5.0 OPTIONS FOR ADDRESSING THE BUDGET GAP IN 2015/16

	Adur	Worthing
	£'000	£'000
Main cost pressures:		
Inflationary pressures in excess of the likely increase in Council Tax	167	176
Changes in Government Funding		
Reduction in Revenue Support Grant	559	845
Increase in New Homes Bonus	-87	-389
Increase in baseline funding	-144	-140
Overall change to government funding	328	316
Other items:		
Net impact of the capital programme	68	101
Fall out of early retirement costs	-25	-46
Impact of reduced interest rates	-91	-55
Impact of pension fund valuation	62	112
Contingency	100	120
Removal of one-off contribution to reserves	-105	196
Removal of surplus / deficit on collection fund	82	43
Savings identified as part of the 2014/15 budget round	-54	-293
Leisure Trust status	0	-250
Other items	-34	56
Overall savings to be met from a combination of efficiency savings and reductions in lower priority services.	498	476

Note: This breakdown of the cost pressures is given at the early point in the financial year; consequently a contingency amount has been added for unidentified items and known budget risks. This will be stripped out as the year progresses.

- 5.10 To ensure that the savings offered later in the year reflect the Council's priorities, all the proposals which affect Worthing will also be presented to the Joint Overview and Scrutiny Committee for consideration and comment.

6.0 2016/17 AND BEYOND

- 6.1 The budget projections for 2016/17 to 2019/20 are also shown in **Appendix 3**. It is clear that many of the cost pressures identified in 2015/16 will continue on for the coming years and that there is a need to make significant savings.

6.0 2016/17 AND BEYOND

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Adur District Council					
Estimated cumulative savings required to balance the budget	498	1,289	1,686	2,252	2,805
Savings required each year	498	791	397	566	553
Worthing Borough Council					
Estimated cumulative savings required to balance the budget	476	1,308	2,044	2,770	3,470
Savings required each year	476	832	736	726	700

- 6.2 It is an inherent feature of the budget strategy that officers are asked to identify annual “cashable” efficiency and procurement savings to help meet the budget gap and to protect priority services. But the scale of the problem continues to be significant and efficiency savings will only meet part of the shortfall.
- 6.3 Through the work Budget Advisory Groups, there have been a number of significant projects and fundamental service reviews which have led to savings that have helped bridge the gap over the last five years. However, looking forward, with a new Council Leadership Team in place, there now needs to be a series of new initiatives put in place to meet the challenges for the next five years.
- 6.4 Consequently, there will be a focus in 2015/16 on balancing the budget through efficiency savings, proposed changes to services arising from the current service reviews, focussing resources on priority areas and possibly through the use of reserves.
- 6.5 Challenging times are ahead and the Councils will need to continue to critically review the services, to focus limited resources on priorities, and to ensure the savings continue to be delivered.

7.0 HOUSING REVENUE ACCOUNT

- 7.1 The Housing Revenue Account (HRA) has a 30-year financial plan which was included in the rent setting report considered in February this year. It is not intended to replicate those financial projections within this report but update the forecast later once the asset management plan has been refreshed.
- 7.2 Nevertheless, the HRA will be subject to the same budget process and strategy as outlined below.

8.0 BUDGET PROCESS FOR 2014/15

- 8.1 The intention is to manage the budget process in an open and transparent manner as last year.
- 8.2 The Council will need to identify options to meet the budget shortfall for 2015/16. The process will follow the three stages:
1. The “Budget Review Group” (joint cabinets) will identify options to meet the 2015/16 budget shortfall which fit with the Council’s priorities. This work will be underpinned by a detailed consideration by the Council Leadership Team of options for budget savings.
 2. Consideration by Joint Overview and Scrutiny Committee of the options put forward with a view to commenting on the proposed savings than impact on the Worthing Borough Council budget. Joint Overview and Scrutiny Committee can also add to the list of proposed savings with additional options as considered appropriate.
 3. Consideration by Joint Strategic Committee of which of the savings are to be used to fund the budget shortfall.

A flowchart with outline timescales for the 2015/16 budget is attached at **Appendix 1**.

9.0 CONSULTATION

- 9.1 The budget consultation this year will be undertaken over the Summer. The final form of the consultation is not yet decided, but it will include elements of the statutory consultation required for the local Council Tax Support Scheme if required.
- 9.2 The Adur Consultative Forum (tenant’s forum) will be consulted on regarding any proposed changes to the HRA.

10.0 BUDGET STRATEGY FOR 2014/15

- 10.1 A detailed budget strategy now needs to be agreed, to underpin the preparation of the budget throughout the coming months and to reflect the discussion outlined above. The following are recommended as principles to be used in the preparation of the 2015/16 revenue and capital budgets:
- 10.2 **Revenue Budget Strategy**
- The Councils will aim to keep Council Tax increases to a minimum;

10.0 BUDGET STRATEGY FOR 2014/15

10.2 Revenue Budget Strategy

- Growth in expenditure is to be restricted to unavoidable expenditure to satisfy the delivery of the Council's Key Priorities and other legislative requirements. The key items of growth identified to date have been included in the outline 5-year forecast;
- Any other growth to be accompanied by proposals for equivalent ongoing savings and not to be funded from reserves;
- Income is to be increased in line with the inflationary pressures upon the Councils (2.0%) or such higher increase as the individual markets can bear;
- Expenditure is to be increased by: 1% for pay (but an allowance has been made for increments which are a contractual commitment) and 2.0% for all other expenditure (except for inflation arising from contractual indexation provisions and energy for which an appropriate provision is to be made);
- The Council aims to set a balanced budget. Any proposed use of reserves is to have regard to the adequacy of such reserves and any such policy must be sustainable in the longer term. In addition, the Council aims not to have any planned call upon the General Fund Working Balance;
- Officers are to identify 'cashable' efficiency savings, options for reducing non-priority services, and undertake a critical review of income.

10.3 Capital Investment Programme

- A maximum level of funding be made available per year for the next 5 years to fund new General Fund schemes as follows:

Adur District Council: £1m (plus £3.6m for the Housing Investment Programme)

Worthing Borough Council: £1.5m

- The funding of the programme is to be comprised of prudential borrowing and capital receipts. This reflects concerns about affordability; however members need to be aware that the number, age and condition of the Council's assets continue to be a cause for concern.
- Additional capital expenditure to be only agreed where additional funding from capital grants, contributions, earmarked receipts approved additional prudential borrowing or use of reserves has been secured.

11.0 LEGAL IMPLICATIONS

- 11.1 The Council is required to set a robust budget under the Local Government Act 2003. This report is the first step towards the Council achieving this aim for the 2015/16 budget.

12.0 CONCLUSIONS

- 12.1 As usual the budget is characterised by uncertainty, not so much for 2015/16, but for 2016/17 and beyond as a result of the impending election in 2015. However it is inevitable that the Councils will continue to face significant reductions in expenditure year on year irrespective of which party wins the general election. The need to limit Council Tax increases coupled with a continued reduction in Government support means that the Council will need to identify significant savings in the next 5 years to balance the budget. This is without building additional capacity to deliver some key new aims.
- 12.2 The need to generate savings on an on-going basis has meant that the Council has moved away from an annual savings exercise towards a programme of actions designed to generate efficiency savings on a rolling basis over 5 years. This work needs to be reinvigorated and to continue, if the Council is to successfully meet the challenges ahead. This should not only be to balance the budget but to help build capacity to deliver key aims and improve core services in line with the Corporate Plan.
- 12.3 However, there are opportunities in the new business rate retention scheme which mean that there needs to be a focus on economic regeneration over the next few years to ensure that the Council protects its financial interests in the longer term.

13.0 RECOMMENDATIONS

13.1 Joint Strategic Committee is recommended to:

- (a) Note the report and the outline 5-year forecast in Appendix 3;**
- (b) Approve the proposed budget process as set out in section 8 of the report;**
- (c) Recommend to the Councils to approve the Budget Strategy for 2015/16 outlined in Section 10 of the report.**

Local Government Act 1972
Background Papers:

Report to Adur District Council Cabinet 4th February 2014 - Estimates 2014/15 and setting of 2014/15 Council Tax

Report to Worthing Borough Council Cabinet 3rd February 2014 - Estimates 2014/15 and setting of 2014/15 Council Tax

Report to Joint Strategic Committee 24th June 2014 – Final Revenue and Capital Outturn for Joint, Adur and Worthing 2014/15.

Budget Statement 2013 – Report from HM Treasury
Budget Statement 2014 – Report from HM Treasury

Contact Officer:

Sarah Gobey

Chief Financial Officer

(01903) 221221

sarah.gobey@adur-worthing.gov.uk

SCHEDULE OF OTHER MATTERS

1. COUNCIL PRIORITY

1.1 The budget underpins the achievement of all of the Council's priorities.

2. SPECIFIC ACTION PLANS

2.1 The report sets the targets for the achievement of a balanced budget for 2015/16.

3. SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified

4. EQUALITY ISSUES

4.1 Matter considered and no issues identified

5. COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6. HUMAN RIGHTS ISSUES

6.1 Matter considered and no issues identified

7. REPUTATION

7.1 Matter considered and no issues identified

8. CONSULTATIONS

8.1 Matter considered and no issues identified

9. RISK ASSESSMENT

9.1 Matter considered and no issues identified

10. HEALTH and SAFETY ISSUES

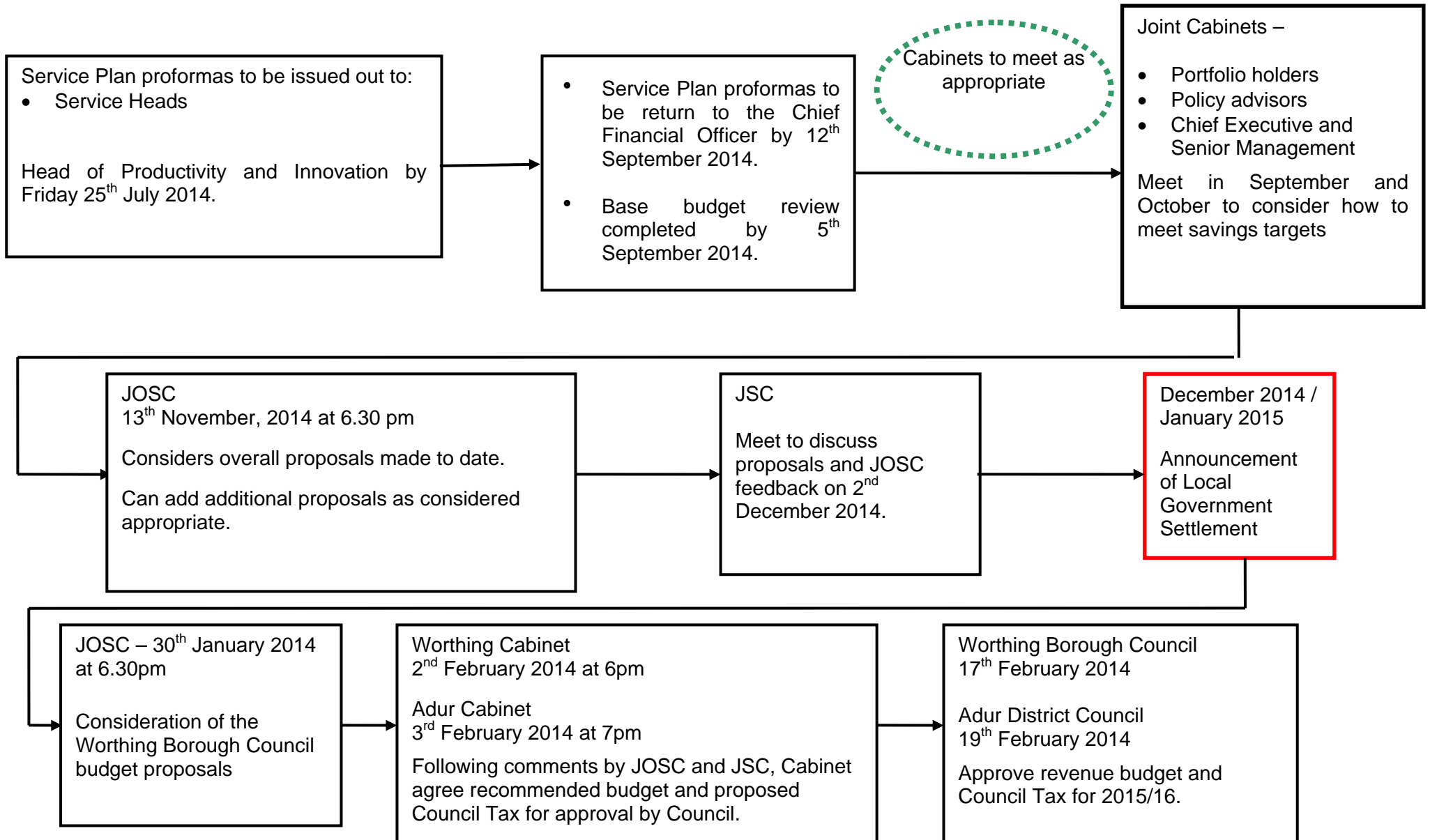
10.1 Matter considered and no issues identified

11. PROCUREMENT STRATEGY

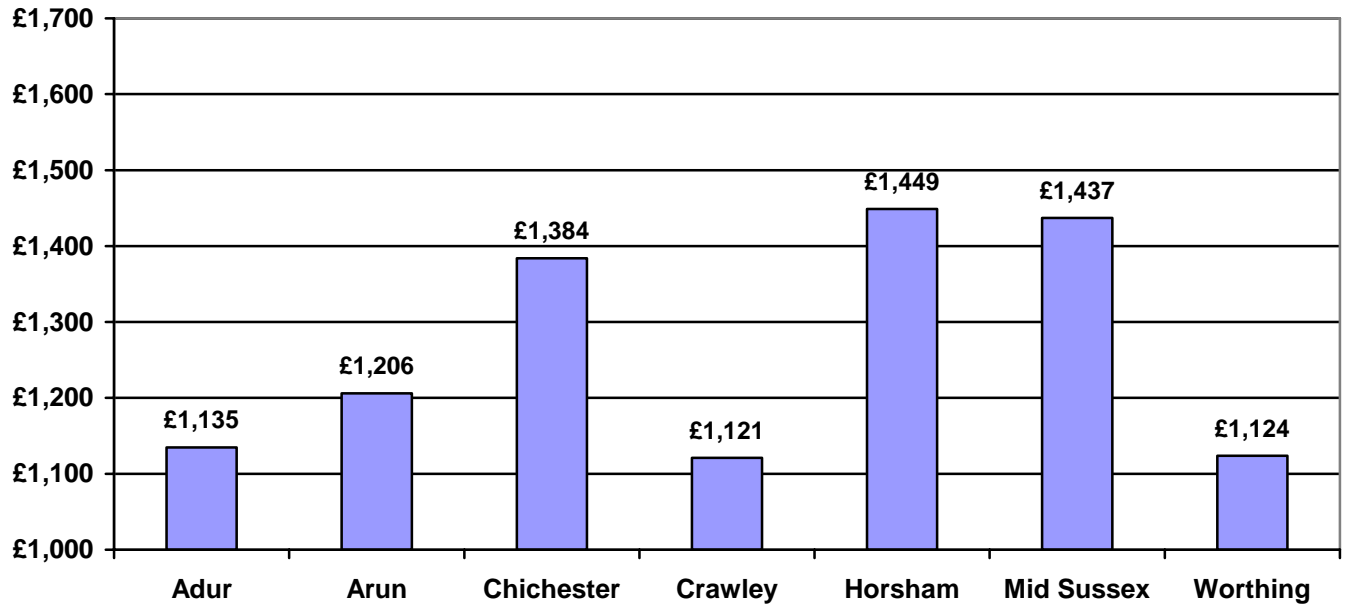
11.1 Matter considered and no issues identified

12. PARTNERSHIP WORKING

12.1 The costs associated with the Council's partnership arrangements are an inherent part of the Council's budget.



AVERAGE 2014/15 COUNCIL TAX PER DWELLING



This is the combined Council Tax for West Sussex County Council, Sussex Police Authority and the district Councils.

APPENDIX 3

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2014/15 - 2019/20						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	9,538	9,538	9,538	9,538	9,538	9,538
Annual Inflation						
Estimated inflation		250	606	971	1,340	1,729
One -off / non-recurring items						
Local Elections (held every other year)		(49)		(51)		(53)
Committed Growth						
Changes to National Insurance Contributions		-	227	232	237	242
Impact of Pension contribution increase		62	127	131	134	137
Contribution to Gypsy and Traveller site		15	15	15	15	15
Contingency		100	100	100	100	100
Compensatory savings						
Fall out of early retirement costs		(25)	(25)	(25)	(25)	(25)
Savings identified as part of 2014/15 budget round (tbc)		(54)	(54)	(54)	(54)	(54)
Impact of capital programme						
Financing costs		68	219	341	469	602
Additional income						
Investment income		(91)	(150)	(211)	(271)	(332)
Total Cabinet Member Requirements	9,538	9,814	10,603	10,987	11,483	11,899
Baseline funding	1,574	1,617	1,657	1,699	1,741	1,785
Less: Safety net payment / business rate shortfall		-	-	-	-	-
Add: Retained additional business rates	79	243	372	378	390	400
Add: Share of 2013/14 surplus	63					
Adusted Baseline funding	1,716	1,860	2,029	2,077	2,131	2,185
Revenue Support Grant	1,835	1,276	1,021	868	738	627
Council Tax						
Adjusted Council Tax income	5,403	5,486	5,610	5,765	5,924	6,088
Other grants						
Council Tax Freeze grant 2014/15	63	63	-	-	-	-
New homes bonus (2011/12 - 2016/17)	62	62	62	-	-	-
New homes bonus (2012/13 - 2017/18)	153	153	153	153	-	-
New homes bonus (2013/14 - 2018/19)	244	244	244	244	244	-
New homes bonus (2014/15 - 2019/20)	107	107	107	107	107	107
New homes bonus (2015/16 - 2020/21)	-	87	87	87	87	87
Collection fund surplus/deficit (-)	60	(22)	-	-	-	-
Total other grants and contributions	689	694	653	591	438	194
Total Income from Grants and Taxation	9,643	9,316	9,314	9,301	9,231	9,094

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2014/15 - 2019/20						
	2014/15 Base	2015/16	2016/17	2017/18	2018/19	2019/20
(Surplus) / Shortfall in Resources	(105)	498	1,289	1,686	2,252	2,805
Contribution to (-) / Use of Reserves to Balance						
Capacity issues reserve	(105)	-	-	-	-	-
Total Income from Reserves	(105)	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	498	1,289	1,686	2,252	2,805
Council Tax increase		1.50%	2.00%	2.50%	2.50%	2.50%
Savings required in each year		498	791	397	566	553

WORTHING BOROUGH COUNCIL - APPENDIX 1
Revenue Budget Summary Statement 2014/15 - 2019/20

	2014/15 Base	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	14,113	14,113	14,113	14,113	14,113	14,113
(a) Annual Inflation						
Estimated inflation		322	829	1,351	1,881	2,437
(b) One -off / non-recurring items						
Local Elections (not held once every four years)		-	-	(76)	-	-
(c) Committed Growth						
Changes to National Insurance Contributions		-	466	466	466	466
Impact of Pension contribution increase		112	206	212	216	220
Contingency		120	120	120	120	120
Housing condition survey - carried out once every 3 years		(9)	(9)	-	(9)	(9)
Provision for job evaluation		50	50	50	50	50
Contribution to Gypsy and Traveller site		15	15	15	15	15
(d) Compensatory savings						
Fall out of early retirement costs		(46)	(46)	(46)	(46)	(46)
(e) Impact of capital programme						
Financing costs		101	234	362	493	644
(f) Additional income						
Investment income		(55)	(105)	(164)	(231)	(308)
(g) Agreed Savings						
Savings identified as part of 2014/15 budget round (tbc)		(263)	(452)	(452)	(452)	(452)
Splashpoint - Impact of sale of Aquarena site		-	(150)	(150)	(150)	(150)
Grounds Maintenance budget		(30)	(30)	(30)	(30)	(30)
Leisure Trust (tbc)		(250)	(250)	(250)	(250)	(250)
Total Cabinet Member Requirements	14,113	14,180	14,991	15,521	16,186	16,820
Baseline funding	2,398	2,464	2,526	2,589	2,653	2,720
Less: Safety net payment/business rate sh'fall	-	-	-	-	-	-
Add: Net retained additional business rates	144	246	413	418	433	444
Add: Share of 2013/14 surplus	28					
Adjusted Baseline funding	2,570	2,710	2,939	3,007	3,086	3,164
Revenue Support Grant	2,790	1,945	1,556	1,323	1,125	956

APPENDIX 3

WORTHING BOROUGH COUNCIL - APPENDIX 1 Revenue Budget Summary Statement 2014/15 - 2019/20						
	2014/15 Base	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax income						
Adjusted Council Tax income	7,631	7,777	7,964	8,196	8,426	8,671
Council Tax Freeze grant 2014/15	88	88	-	-	-	-
New homes bonus (2011/12 - 2016/17)	273	273	273	-	-	-
New homes bonus (2012/13 - 2017/18)	172	172	172	172	-	-
New homes bonus (2013/14 - 2018/19)	220	220	220	220	220	-
New homes bonus (2014/15 - 2019/20)	170	170	170	170	170	170
New homes bonus (2015/16 - 2020/21)	-	389	389	389	389	389
Collection fund surplus/deficit (-)	3	(40)	-	-	-	-
Total other grants and contributions	926	1,272	1,224	951	779	559
Total Income from Taxation	13,917	13,704	13,683	13,477	13,416	13,350
(Surplus) / Shortfall in Resources	196	476	1,308	2,044	2,770	3,470
Use of / (contribution to) Reserves to Balance Budget						
Capacity issues reserve	196	-	-	-	-	-
Total Income from Reserves	196	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	476	1,308	2,044	2,770	3,470
Savings agreed in December						
Savings agreed in January						
Final adjustments to the allocation of the December savings between the two Councils						
Removal of no detriment						
Total savings identified		-	-	-	-	-
Savings still to be found/ (surplus)		476	1,308	2,044	2,770	3,470
Council Tax increase		1.50%	2.00%	2.50%	2.50%	2.50%
Savings required in each year		476	832	736	726	700

JOINT STRATEGIC COMMITTEE						
Revenue Budget Summary Statement 2014/15 - 2019/20						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	23,933	23,933	23,933	23,933	23,933	23,933
(a) Annual Inflation						
Estimated inflation		547	1,302	2,078	2,861	3,682
(b) Committed Growth						
Changes to National Insurance Contributions		-	518	528	539	550
Impact of Pension contribution increase		152	311	320	326	333
Contingency		100	100	100	100	100
(c) Agreed Savings						
(d) Accounting adjustments						
Total Budget Requirements	23,933	24,732	26,164	26,959	27,759	28,597
Less: Recharges within the Joint Strategic Committee	(3,343)	(3,343)	(3,343)	(3,343)	(3,343)	(3,343)
Net cost to be reallocated to the Councils	20,590	21,389	22,821	23,616	24,416	25,254
Adur District Council	8,244	8,203	8,141	8,019	7,859	7,702
Worthing Borough Council	12,346	12,284	12,192	12,009	11,769	11,534
Total income for services provided to the constituent councils	20,590	20,487	20,333	20,028	19,628	19,236
(Surplus) / Shortfall in Resources	-	902	2,488	3,588	4,788	6,018
Savings required in each year		902	1,586	1,100	1,200	1,230

BUSINESS RATE FORECAST					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Adur District Council					
Total business rate income	21,366	21,897	22,428	23,003	23,578
Less: Business rate reliefs awarded	-2,812	-2,882	-2,954	-3,028	-3,104
Net business rate income	18,554	19,015	19,474	19,975	20,474
Less:					
Write offs	-231	-237	-243	-249	-256
Appeals	-379	-388	-398	-408	-418
Net income	17,944	18,390	18,833	19,318	19,800
Less: Share of income paid to Council for administration costs	-88	-90	-93	-95	-97
Net income for purpose of income share calculation	17,856	18,300	18,740	19,223	19,703
Council share of income (40%)	7,142	7,320	7,496	7,689	7,881
Less: Tariff	-5,203	-5,333	-5,466	-5,603	-5,743
Retained business rates	1,939	1,987	2,030	2,086	2,138
Add : S151 grants paid directly to the General Fund	405	415	425	436	446
Total income eligible for levy/safety net calculation	2,344	2,402	2,455	2,522	2,584
Baseline funding	-1,617	-1,658	-1,699	-1,742	-1,785
Surplus/(deficit) business rates	727	744	756	780	799
Less: Levy @ 50%	-364	-372	-378	-390	-399
Retained additional business rates	363	372	378	390	400
Share of estimated 2014/15 deficit	-120	0	0	0	0
Estimated surplus/deficit (-)	243	372	378	390	400

APPENDIX 4

BUSINESS RATE FORECAST					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Worthing Borough Council					
Total business rate income	37,689	38,625	39,561	40,576	41,590
Less: Business rate reliefs awarded	-5,750	-5,893	-6,041	-6,192	-6,347
Net business rate income	31,939	32,732	33,520	34,384	35,243
Less:					
Write offs	-396	-406	-415	-426	-437
Appeals	-603	-618	-633	-649	-665
Net income	30,940	31,708	32,472	33,309	34,141
Less: Share of income paid to Council for administration costs	-136	-139	-143	-146	-150
Net income for purpose of income share calculation	30,804	31,569	32,329	33,163	33,991
Council share of income (40%)	12,322	12,628	12,932	13,265	13,596
Less: Tariff	-10,079	-10,331	-10,590	-10,854	-11,126
Retained business rates	2,243	2,297	2,342	2,411	2,470
Add : S151 grants paid directly to the General Fund	1,030	1,056	1,082	1,110	1,137
Total income eligible for levy / safety net calculation	3,273	3,353	3,424	3,521	3,607
Baseline funding	-2,464	-2,526	-2,589	-2,653	-2,720
Surplus/(deficit) business rates	809	827	835	868	887
Less: Levy @ 50%	-405	-414	-417	-435	-443
Retained additional business rates	404	413	418	433	444
Share of estimated 2014/15 deficit	-159	0	0	0	0
Estimated surplus / deficit (-)	245	413	418	433	444

**CAPITAL STRATEGY 2014/17
REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES**

1.0 SUMMARY

1.1 This report seeks the approval of the Council's Capital Strategy for 2014/17. The Strategy outlines the Council's approach to capital investment and how the Council ensures that capital investment is directed to the Council's Corporate Priorities. It also sets out the basis for prioritisation of capital bids included in the 3 Year Capital Investment Programme and the monitoring of the programme.

2.0 BACKGROUND

2.1 The two Councils agreed the first Joint Strategy in 2011 and this is reviewed annually to reflect changes in the Council's priorities and resources

2.2 In 2013/14 the Strategy was revised to reflect the impact of the proposed arrangements for ICT and confirmed the following resource allocations:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund capitalised planned maintenance schemes, in order to address the significant backlog in property maintenance.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy.	280	420	700
Following the decision to join CenSus, £75,000 is set aside in 2013/14 to facilitate the creation of a new joint ICT service.	75	75	150
Essential replacement of ICT desk top and local network equipment in both Councils	50	50	100
Total resources earmarked for specific purposes	475	625	1,175

2.0 BACKGROUND

2.3 The budget strategy considered elsewhere on this agenda will confirm that the resources to be made available to fund new schemes will remain at £1.5m for Worthing Borough Council and £1m for Adur District Council for the next 3 - 5 years. These relatively low levels of investment have been agreed in light of the financial position of both councils over the next 5 years.

3.0 PROPOSALS

3.1 There are no major changes proposed to the Capital Strategy this year other than to align the financial thresholds for option appraisals with the limits contained in the financial regulations which were approved earlier in the year. However, the following changes to resource allocations are recommended:

- There has been significant slippage in building schemes and engineering schemes. Consequently, it is recommended to delete the allocation to building maintenance in 2014/15 and set the resources aside to fund the emerging 'digital strategy'. An 'IT position statement' is contained elsewhere on the agenda with fuller proposals to be presented to the Joint Strategic Committee later in the year on future investment needs.
- There are a significant number of vehicles purchased for the delivery of the joint services which are due for renewal in 2016/17. However, there are relatively few planned for replacement in 2015/16. Consequently, it is recommended that the amount set aside for partnership working is reduced to £500,000 from £700,000 for 2015/16.

If approved, the overall the allocations will be:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Recommended set-aside to facilitate the delivery of the digital strategy.	90	135	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy.	200	300	500
Annual set-aside to replace essential IT infrastructure maintained by CenSus.	75	75	150
Essential replacement of ICT desk top equipment and local network equipment in both Councils.	50	50	100
Total resources earmarked for specific purposes	415	555	970

3.0 PROPOSALS

3.2 The top slicing of the programme in each year to ensure funding for key strategic issues such as the planned building maintenance programme, ICT and the partnership programmes will mean that, of the overall resources of available in 2012/13, the following resources will remain for other schemes:

- Adur District Council: £585,000
- Worthing Borough Council: £945,000

3.3 The proposed capital strategy is attached at Appendix 1. Appendix 2 gives details of the prioritisation model to be used in 2014/15 which is the same as that used last year.

4.0 LEGAL

4.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure

4.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.

4.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.

5.0 FINANCIAL IMPLICATIONS

5.1 The Strategy sets out recommendations for financing the future Capital Investment Programme.

6.0 RECOMMENDATION

6.1 The Joint Strategic Committee is recommended to: -

- (i) Recommend to the Councils that the Capital Strategy 2014/17 be approved.**

Local Government Act 1972

Background Papers:

Capital Strategy 2013/16

Medium Term Financial Plan 2014/19 and Budget Strategy 2014/15

Contact Officer:

Sarah Gobey

Chief Financial Officer

Town Hall, Worthing

(01903) 221235

sarah.gobey@adur-worthing.gov.uk

SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

1.1 The Capital Strategy sets out the Council's policy on capital investment and ensures the efficient use of capital resources to support all of the Council Priorities.

2.0 SPECIFIC ACTION PLANS

2.1 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 Matter considered and no issues identified

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 Strategy outlines the Council's approach to Partnership working and has been updated to reflect the effect of joint working between the two Councils and with other partners.

Adur &
Worthing
councils



**INVESTING IN ADUR
AND WORTHING
COUNCILS
CAPITAL STRATEGY
2014-2017**

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1. **INTRODUCTION**

1.1 This document sets out the Councils' Capital Strategy, which outlines the approach to capital investment and how the Councils ensure that capital investment is directed to the Corporate Priorities. It also shows how we work with partners to deliver schemes. The strategy outlines the basis for the prioritisation of all capital bids put forward for inclusion in the three-year programme, including Housing, and the monitoring and evaluation of the programme. The Capital Strategy is intrinsically linked to our Asset Management Plan as a substantial amount of capital expenditure is invested in the property assets held by the Councils.

1.2 **The Council's Vision and Corporate Plan**

In 2010 'Adur in Partnership' and 'Worthing Together', the Local Strategic Partnerships adopted an updated Sustainable Community Strategy 'Waves ahead'. This is a sixteen year plan, which will operate through to 2036 and help to deliver the vision for where the two areas want to be in twenty years' time and how some of this vision will be delivered.

1.3 The Corporate Plan focuses upon the areas of the Community Strategy to which the Council can and will contribute. The Councils revised the Corporate Priorities in 2011 and developed an updated common vision as follows:

Adur and Worthing Councils will radically challenge traditional ways of providing their services by:

- 1) Continuing to work together in partnership to deliver cost effective services whilst retaining separate identities.
- 2) Working more closely with and commissioning our communities, the voluntary sector, public organisations, business and commercial sectors to develop and deliver services.
- 3) Moving towards smaller and smarter local government.
- 4) Developing a culture of innovation and entrepreneurship.

1.4 In order to help deliver the Vision, the following objectives were agreed in 2013 as the Councils' strategic aims for the next five years:-

Priority One: Supporting and improving the local economy;

Priority Two: Protecting front line services;

Priority Three: A mixed economy of partnership working;

Priority Four: Ensuring value for money and low Council Tax.

1. **INTRODUCTION**

1.5 The recent paper by the Chief Executive 'Catching the Wave' further developed the strategic aims for the council by focussing down on three themes.

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming an adaptive council.

1.6 **Three Year Capital Investment Programme**

The main purpose of the Councils' Capital Investment Programme is to provide assets for the provision of services and to deliver the Corporate Priorities. It is prepared by considering resources available and then prioritising capital schemes in line with Corporate Objectives and other criteria. A summary of the current Capital Investment Programmes 2014/15 – 2016/17, including funding, is shown in Appendices 3, 4 and 5. Full details can be found on the Intranet and in the budget book.

1.7 Examples of where capital expenditure will help to deliver the Council's Strategic Aims over the next three years are:

1.8 **Affordable housing (Adur: £1,810,000, Worthing: £1,396.400)**

The Councils are committed to enabling affordable housing development for the residents of Adur and Worthing. With the changes to the Homes and Communities Agency's Affordable Housing Programme for 2012-15, including the introduction of the "affordable rent" regime and a considerable reduction in the subsidy per new affordable home from the HCA, the Councils need to review the use of their capital in terms of what kinds of schemes should be supported in future and why. This review will form part of the annual update of the Councils' joint Housing Strategy in 2014, by which time we are expecting further clarity on what the HCA's future grant programme will look like. There is an expectation that from 2015 there will be a "nil grant" programme except for exceptional circumstances, in which case it will be important for the Councils to have a view on how their own resources can be used, including the possibility of developing homes via Adur Homes.

1.9 **Adur and Worthing Services (Total: £5,047,930 split as follows: Adur share: £2,028,110 Worthing share: £3,019,820)**

The Council is currently providing shared services with Worthing Borough Council with a view to improving service standards and reducing the cost of services to residents. These include the investment in vehicles for street cleaning and refuse collection services, the investment in vehicles and equipment for the new joint grounds maintenance service, as well as the cost of renewing IT systems and equipment.

1.10 **Meeting the decent homes standard for residents of Adur Homes**

Adur District Council has committed to maintaining the decent homes standard. Overall the Council plans to invest £4.2m in the Council housing stock in 2014/15.

2. RESOURCE ALLOCATION

2.1 Prudential Capital System

The Government introduced the current system for the management of capital finance in 2004/05 contained in The Local Authorities (Capital Finance and Accounting) Regulations (2003), which became operative from 1st April 2004. The act sets out the financial power for local authorities to use unsupported prudential borrowing for capital investment provided that the Council can afford the revenue consequences of any proposed borrowing.

2.2 The key objectives of the prudential system are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. Under the regulations local authorities have been given the freedom to determine the amount of external borrowing they are prepared to undertake when considering their own capital spending and financing decisions.

2.3 The most significant change under the prudential system has been the initial determination of the limits of affordability for providing capital investment, taking into account the opportunity costs of alternative financing decisions.

2.4 Resources

At the outset of each Capital Investment Programme planning cycle, the level of resources available to fund the programme is reassessed in light of the most recent information. The current programme is then reviewed to establish the level of resources needed to fund the committed programme. This information is then used to establish the resources available to fund new schemes.

2.5 The current capital financing strategies is based on a mix of funding including capital receipts, capital grants, revenue contributions, use of reserves, specific one-off external contributions and Prudential Borrowing. The Capital Investment Programme Strategy assumes:

➤ For Adur District Council:

- A net overall addition to the general fund programme each year of £1.0m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.
- An annual HRA programme of £3.6m from 2014/15 onwards (index-linked). This is expected to be funded from the Major Repairs Reserve, prudential borrowing, revenue contributions, and any grants.

➤ For Worthing Borough Council:

- A net overall addition to the general fund programme each year of £1.5m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.

2. **RESOURCE ALLOCATION**

2.6 All capital receipts are used to fund the prioritised capital programme unless ring-fenced for a specific issues such as affordable housing and Shoreham Renaissance in Adur.

2.7 Of the total resources available, the following will be earmarked to fund specific council objectives:

	Adur District Council £'000	Worthing Borough Council £'000
Recommended set-aside to facilitate the delivery of the digital strategy.	106	119
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy.	200	300
Annual set-aside to replace essential IT infrastructure maintained by CenSus.	70.5	79.5
Essential replacement of ICT desk top equipment and local network equipment in both Councils.	47	53
Total resources earmarked for specific purposes	423.5	551.5

2.8 It is the both Councils' policy to maximise capital receipts through a review of existing property use. A rigorous approach has been adopted to the identification and disposal of surplus assets that are no longer required to meet the Corporate Priorities of the Councils. The Joint Property Management Group regularly considers the property portfolio and identifies property for sale. The Council views this as the most cost effective way to finance the capital programme. However, both Councils have a diminishing asset base and the sites remaining are some of the most difficult to sell.

2.9 Although the Councils have been able to fund some of its capital programme from capital receipts in recent years, asset sales are unlikely to be sufficient to fund the capital programme in the future. Therefore the Council will need to explore new sources of funding, particularly for major capital schemes. These could include extending the use of prudential borrowing, external funding from the various grant agencies including the national lottery distributors, S106 Agreements, Area Investment Framework funding and Private Finance Initiatives and Partnerships, including Public Private Partnerships Schemes. Examples of partnership funding are shown in 6.4.

2. **RESOURCE ALLOCATION**

2.10 **External Funding**

External funding is now an important source of finance for the Councils. With this in mind, the External Funding Manager (EFM) reviews the proposed programme for opportunities to bid for funding for schemes. In addition, the EFM also researches new funding streams to ensure that the Councils are aware of upcoming opportunities.

Overall, the aim of external funding is to ensure that the Councils can continue to improve or renew community facilities whilst alleviating the cost to the public purse.

2.11 **Invest to Save**

Both Councils have introduced an 'invest to save' scheme. This provides capacity within the Councils to generate efficiency savings. The Councils will consider capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The cost of these schemes can be funded from prudential borrowing as the revenue costs of borrowing will be funded by the on-going revenue savings. These schemes can be approved at any time by the Joint Strategic Committee. Examples of projects include:

- energy efficiency schemes whereby the reduction in energy costs may be sufficient to repay the borrowing costs.
- the provision of Empty Homes grants to assist people to bring properties back into use, increasing council tax revenue and also attracting additional New Homes Bonus Funding. It may also reduce homelessness costs indirectly if we are able to ensure the property is let to ADC/WBC housing applicants.

Any such scheme is to be subject of a full option appraisal over the life of the asset, which should consider the whole life cost implications of the proposed investment and be considered by the Joint Strategic Committee as part of the approval to spend.

2.12 **Value for Money**

Getting value for money is a key priority for the Councils and the Capital Investment Programme should provide high quality, value for money public services. The Councils recognise that best value is based on whole life costs and therefore the on-going revenue implications of capital spend are identified when bids for capital resources are assessed and when schemes are approved; when a new capital project is proposed any impact on revenue expenditure is anticipated and costed. These revenue costs are used to inform the revenue budget planning process and are considered alongside other priorities in the revenue budget when the overall budget is set. Costs to be assessed include the opportunity cost of using the resources, the interest earnings foregone by utilising reserves and capital receipts, and any additional revenue costs or savings arising from the investment.

3. **PRIORITISATION**

- 3.1 In order to ensure that resources available for capital investment are used efficiently and effectively, all capital projects are prioritised in line with corporate objectives, priorities and other criteria using a prioritisation model, which is outlined in Appendix 2.
- 3.2 This is achieved by the submission of bids for capital resources for the next 3 years of the capital programme and the reserve list on a standard questionnaire. The bids are priority scored using the prioritisation model (Appendix 2) and collated by the Capital Working Group who prepare a summary presented in priority scored order, which is discussed with the Cabinet Members for Resources and the Adur Cabinet Member for Customer Services. The summary is then submitted to the Council Leadership Team for their consideration and comment. This process includes all elements of Capital Investment including Housing.
- 3.3 The resulting draft programme is then shared with leading Members of the controlling Group and a report drafted for approval by the Joint Strategic Committee who make the decision as to the final programme recommended to Councils, in relation to the resources available. This is then subject to the Council's consideration and approval.
- 3.4 Bids for additional resources will only be considered where they accord with the Capital Strategy, and where the authority has taken into account ongoing commitments and conformity with Strategic Objectives, Service Plans and other criteria in relation to its capital needs and other resources. Schemes which are considered for inclusion in the capital programme outside the annual bidding process are also "priority scored" to ensure that they meet the priority score which would include them in the capital programme for the relevant year.
- 3.5 Each year after the 3 year capital investment programme has been agreed by the Councils, the Capital Working Group reviews the prioritisation process. If necessary, the capital bidding documents and process are amended to ensure that corporate objectives and priorities, and the benefits and impact of schemes are adequately reflected in the prioritisation procedure.

3.6 **Option Appraisal**

Option Appraisal is an essential part of the prioritisation process and enables the Councils to make informed, transparent and consistent decisions about the capital projects to be taken forward.

The Council's current policy on Option Appraisals is as follows:

- (i) Individual projects costing under £150,000 – Officers are asked to consider other options (including capital and revenue implications) as part of the Capital Bid Submission.

3. **PRIORITISATION**

- (ii) Individual projects costing between £150,000 and £500,000 – Option Appraisals are completed in house by the project team. These should consider the whole life cost implications of the proposed investment and must be considered by the Joint Strategic Committee or Cabinet Member as part of the approval to spend process.
- (iii) Individual projects costing in excess of £500,000 – Option Appraisals are completed either using the in-house team or by using external consultants where appropriate. These should include the whole life cost of the proposals and will need to be ratified by the Joint Strategic Committee or Cabinet before giving approval to spend.

Grant programmes such as affordable housing and disabled facilities grant are excluded from the requirement to undertake detailed option appraisals.

3.7 **Scheme Approval**

Every year a draft 3 Year Capital Investment Programme is submitted to the Joint Strategic Committee in November/December and recommended to the Councils in December. The report identifies schemes where expenditure has been committed costing in excess of £100,000 necessitating approval as a Key Decision; schemes costing £100,000 or less where expenditure has been committed; and the future schemes for the three years under consideration. It also compares the revised outturn for the current year with the original estimate. Final amendments are made to reflect changes in timescales and cashflows, and to ensure the production of a balanced programme in accordance with the overall resources available for funding, prior to submission to the Budget Council Meeting in February each year.

- 3.8 Schemes costing £100,000 or more require a report to be prepared for the Joint Strategic Committee or Cabinet Member outlining details of the scheme and the capital and revenue implications. The Chief Financial Officer in consultation with the relevant Cabinet Member has delegated approval for schemes costing under £100,000. This is achieved by Officers responsible for capital projects completing a Project Initiation Document (P.I.D.), comprising of a Capital Bid Sheet, Project Plan and Project Estimate Form. The P.I.D. is then approved by the Chief Financial Officer and one other Head of Service who is a member of the Capital Working Group, subject to not signing schemes for which they are responsible. The P.I.D. is then sent to the Cabinet Member for confirmation of approval. No scheme can proceed without either an approved P.I.D. or an Approval Report.
- 3.9 The programme is updated each year in July as a result of the financial outturns following the closure of the previous year's accounts, which are reported to Members in the early summer. Any slippage or works completed ahead of schedule are quantified in budget terms, and approval is sought to make the necessary financial adjustments to the approved budget.

4. **FRAMEWORK FOR MANAGING, MONITORING AND EVALUATING THE CAPITAL PROGRAMME**

- 4.1 Detailed management, monitoring and review in terms of both the delivery of Service outcomes and Corporate Objectives and financial performance is the responsibility of the Capital Working Group, working in conjunction with Heads of Service. Quarterly progress reports incorporating any recommended variations to the Programme, financial monitoring reports and completed project evaluations are submitted to the Council's Leadership Team, and the Joint Strategic Committee. Any 'learning' arising from the monitoring/review process is used to inform the strategy on an ongoing basis. The Financial Regulations stipulate how the financial aspects of the capital programme and each capital scheme should be managed and the Capital Working Group ensures compliance with these requirements.

5. **CONSULTATION**

- 5.1 Both Councils are committed to consulting with the community, its partners and service users on the key issues affecting the quality of life within the area. It has always been important to ensure that resources and services are designed, delivered and improved to meet the changing needs and expectations of our community, our partners and our service users. To achieve this commitment the Council consults and involves the community on any major or controversial capital schemes and will make its policies, decisions and services more accessible to comment from residents, businesses, agencies and major partners. Examples of areas where recent consultation exercises have been completed include:

- Adur Street Scene environmental improvements
- Development of a new or improved playgrounds
- Shoreham Harbour regeneration
- Worthing Seafront Strategy regeneration schemes
- Adur Queensway regeneration
- Adur Ferry Road improvements

6. **PARTNERSHIP WORKING**

- 6.1 Both Councils recognise the importance of partnership working in delivering their own corporate priorities as well as those of many organisations, public and private and is actively developing partnership working, especially when it is considering capital expenditure to "add value" to all that it does. The Councils are aware that they do not work in isolation and that it must ensure that it looks outward to working with the community, its residents and partners, in order to identify and act on local priorities to improve the wellbeing of local communities. Tackling cross cutting issues, in particular, regeneration, community safety, social exclusion and sustainable development require a joined up approach across local authority service teams, other authorities and agencies, the private sector and also our voluntary sector partners.

6. **PARTNERSHIP WORKING**

6.2. The Councils have a history of working successfully together with other neighbouring Authorities on a range of activities including housing, coast protection and regeneration. The Councils continue to work closely with the Health bodies, Police and other organisations that can contribute to meeting its strategic objectives. In this regard, there has been a much closer working relationship forged with Health and Social Services to provide a more integrated service, especially in Housing.

6.4 Therefore, by working together in partnership with others the Councils seek to influence work to ensure that all opportunities are maximised to the full benefit of the residents of both areas, so that the Councils can be satisfied that they are maximising all funding opportunities and achieving efficiencies wherever possible.

6.5 The Councils have many partners with whom they currently work and the potential for many more. The following are some examples of the areas where work is currently being undertaken with other Councils and partners:

Adur/Horsham/Mid Sussex/Worthing	CenSus partnership which includes Revenues and Benefits and ICT Services.
Registered Providers (Housing Associations) and Homes and Communities Agency (and developers)	Affordable Housing Programme
West Sussex County Council	Community Strategy, Family Intervention Project, Help Points, Highway matters, Youth Homelessness Prevention
West Sussex County Council and Brighton and Hove City Council	Shoreham Harbour Regeneration Project and the City Deal bid.
West Sussex County Council, Sussex Police Authority, Probation and Health Authorities	Safer Communities Partnership
Worthing Primary Care Group	Local Health Improvement Programme, Wellbeing Hub
Various maritime authorities from Selsey Bill to Beachy Head	Coast Protection – Coastal Monitoring Project for the South Downs Coastal Group
Various maritime authorities from New Forest to Thames Estuary (in conjunction with New Forest and Canterbury)	Coast Protection – Strategic Coastal Monitoring Project for the South East Region

6. **PARTNERSHIP WORKING**

6.6 **Private Finance Initiatives / Public Private Partnerships (PFI/PPP)**

The Councils believe that if these options are available they will actively pursue any new areas in an attempt to add value to any capital expenditure or commitments.

7. **LINKS TO OTHER STRATEGIES AND PLANS**

7.1 The overall capital strategy stands above the more operational strategies that are needed for key services, such as Housing, Leisure, Environment, and other locally determined blocks of spending. The capital strategy does not sit in isolation but is informed by and informs other strategies. It provides a basis upon which other strategies can be developed and devised. The links between these strategies are extremely important.

7.2 The Councils have identified the following major Strategies and Plans which have been approved or developed; Corporate Plan, 'Catching the Wave', Asset Management Plan, Accommodation Strategy, Waves Ahead (Joint Community Strategy), Community Safety Strategy, Cultural Strategy, Economic Development Strategy, Housing Strategy, Information and Communications Technology (I.C.T.) Strategy, Leisure Strategy, Local Plan, Local Transport Plan, Local Waste Management Strategy, Procurement Strategy, Emergency Plan, Shoreline Management Plan, Surface Water Management Plan, Coast Defence Strategy, Public Realm and Seafront Strategy and Civic and Cultural Hub Strategy.

7.3 **Link to the Housing Strategy**

The Councils' Housing Strategies were last revised in 2012 as a result of significant changes to the housing "landscape" and there is now a joint Adur and Worthing Housing Strategy. It provides objectives for the way in which the Councils plan to meet the housing needs of the areas, including the financial resources required to deliver the Housing Strategy, and therefore informs the Capital Strategy of the funding required. Spatial strategy targets have been abolished. Core Strategies are being finalised, and Supporting People budgets for revenue funding for supported housing have been unringfenced and reduced. The Homes and Communities Agency budget for new developments for 2012-15 is more or less halved nationally, the new "affordable rent" regime has been introduced, along with flexible tenancies, and these factors together with the welfare reform measures being proposed and introduced and the continuing demand for affordable housing mean that such a review was timely. Schemes currently being built out or to be started by 2015 have been largely funded as "affordable rent" developments but there is uncertainty about what if any grant regime will exist post 2015. Viability concerns from developers have resulted in a reduction in the normal proportions of affordable housing on new schemes and what resources the Councils have to support future schemes may well become far more important post 2015. This includes any Council house building the authorities are able to consider. Once more detail is known about the HCA regime a more detailed look at how the Councils can or should support new schemes with its own resources can be taken.

7. LINKS TO OTHER STRATEGIES AND PLANS

7.4 Link to the Asset Management Plan

The capital strategy provides the policy framework for the operational work of asset management. Corporate asset management planning covers all the Councils' assets and should result in a realistic, costed 3 - 5 year programme linked to outputs. The authorities have developed performance measures in asset management, comparing these internally – between services and over time - and benchmarking performance against other authorities and the private sector where possible. The Asset Management Plan forms an important part of the Councils' Capital Strategy. The Joint Property Management Group has a remit, which includes preparing, revising and monitoring the Asset Management Plan in order that information can be obtained in accordance with the guidance.

7.5 Link to the ICT Strategy and Digital strategy

The developing ICT and Digital Strategies are critical links between the Council's Corporate Plans, Central Government Initiatives and Information Technology and are therefore an integral part of the Council's business planning process. However, future capital investment must take account of resources available for future funding and be seen to offer value for money, and is informed by the Capital Strategy.

8. PERFORMANCE MANAGEMENT AND MEASUREMENT

8.1 In addition to adopting the Property Performance Indicators as set out in the requirements for Asset Management Planning, the Council has developed a range of local performance measures to inform various aspects of the Councils' Capital Programme. The overall performance of the capital programme, including post-scheme evaluation of projects, is overseen by the Capital Working Group as detailed in Section 4.

9. REVISING THE CAPITAL STRATEGY

9.1 The Capital Strategy is reviewed annually; adapting to the review of the Councils' Strategic Objectives. It does not need to be overhauled annually so long as the existing documentation remains valid. However, the Councils review the allocation of its Capital Resources on an annual basis to ensure that its programme of investment is in line with the actual resources available to support its spending needs and priorities.

10. SUMMARY

10.1 The Councils will continue to prioritise its capital spending in line with their corporate priorities and other criteria, recognising that a commitment to partnership working remains a significant part in the Councils' overall approach. New and innovative ways of increasing capital finance will continue to be explored in the light of the new Prudential System for Capital Finance. The Councils will annually review their approach to capital expenditure having regard to outcomes of Service Reviews and Inspections, and any changes to the Corporate Plan.

CAPITAL PRIORITISATION MODEL

STAGE 1: INITIAL PRIORITISATION

(Choose ONLY 1 of the following criteria A – D - which your scheme most closely fits).

Category	Criteria	Points
A	Minimum works required to prevent the Council failing in its statutory duty (e.g. DDA)	20
A	Or There is a mandatory legal requirement to provide the service, the proposed scheme enables the service to be provided and that obligation cannot be met in any other way	20
B	Essential works are required to avoid serious long-term financial, operational or service consequences	15
B	Or There is a demonstrable, priority need to replace the asset/ service on an essentially like for like basis (save for improvements in technology) as the existing asset is at the end of its useful life	15
C	Other schemes, which meet the Councils priorities as laid out in Service Plans, Local Area Agreements, Community Strategy Priority Action Plans or the Councils' plans	10
D	There is an expectation by the Government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	5

STAGE 2: CRITERIA FOR ADDING / DEDUCTING ADDITIONAL POINTS

Category	Criteria
E	Council Priorities: Add 1 point for each point achieved from each priority (max. 14)

STAGE 2: CRITERIA FOR ADDING / DEDUCTING ADDITIONAL POINTS (continued)

Category	Criteria
<p>P1</p>	<p>Supporting and improving the local economy</p> <ol style="list-style-type: none"> 1) Promote and support projects and ideas that attract new and retain existing businesses, and generate investment in the area 2) Enable new homes to be built to help meet the housing needs of our communities 3) Support high quality developments
<p>P2</p>	<p>Protecting front line services</p> <ol style="list-style-type: none"> 1) Provide and develop customer driven cost effective services 2) Fulfil statutory obligations for delivery of front line services 3) Adopt more sustainable ways of delivering services
<p>P3</p>	<p>A mixed economy of partnership working</p> <ol style="list-style-type: none"> 1) Work actively together in partnership to deliver cost effective services whilst retaining separate identities and seek to extend partnerships with others 2) Work more closely with and commission our communities, the voluntary sector, public organisations, business and commercial sectors to: <ul style="list-style-type: none"> • Develop and deliver services • Reduce crime, fear of crime, antisocial behaviour and support the Early and Family Intervention projects • Deliver interventions that improve the health of our communities

STAGE 2: CRITERIA FOR ADDING / DEDUCTING ADDITIONAL POINTS (continued)

Category	Criteria
P4	<p>Ensuring value for money and low Council Tax</p> <ol style="list-style-type: none"> 1) Keep council tax increases low 2) Generate financial capital, increase income and seek external funding sources 3) Drive continual improvement and efficiencies in services particularly in procurement and contract management 4) Reduce costs through 'Digital by Default' – getting more transactions online to ensure access to services is straightforward and convenient to the customer
F	<p>Revenue Implications: Add Points – 1 point per £2,000</p> <ul style="list-style-type: none"> • Additional revenue income as measured over asset life, after payment of running costs OR • Projects result in a reduction in the revenue budget from date of completion • Any project whose annual saving exceeds the costs of borrowing over the life of the acquisition by 10% or more will gain automatic approval under invest to save principles, subject to approval by the Executive Head of Financial Services and ratification by JSC
G	<p>Deduct Points – 1 point per £2,000</p> <ul style="list-style-type: none"> • Additional annual operation costs OR • The project results in increased net revenue costs
H	<p>Condition Survey – Categories within our Asset Management Plan</p> <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points) 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points)

STAGE 2: CRITERIA FOR ADDING/DEDUCTING ADDITIONAL POINTS (continued)


Category	Criteria
H	<p>Condition Survey – Categories within our Asset Management Plan (continued)</p> <p>3) Poor – Exhibiting major defects and/or not operating as intended (1 point)</p> <p>4) Bad – Life expired and/or serious risk of imminent failure (5 points) (The Condition must be agreed with Technical Services, Helen Buck or Bryan Curtis, before adding points). Finance will seek validation of any points awarded here</p>
I	<p>Equipment/Vehicle Condition Survey</p> <p>1) Good – Performing as intended and operating effectively (0 points)</p> <p>2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points)</p> <p>3) Poor – Exhibiting major defects and/or not operating as intended (1 point)</p> <p>4) Bad – Life expired and/or serious risk of imminent failure and non-replacement will have serious operational consequences (5 points)</p>
J	<p>Equalities Impact Assessment - Add 5 points or 1 point Score 5 points where the objective of the scheme is to improve equalities e.g. DDA schemes, or score 1 point for schemes which contribute to equalities, e.g. access improvements</p> <p>1) How will the proposed project improve Equality and Diversity in the area?</p> <p>2) Who will benefit from this project? Is there likely to be a positive impact on specific equality groups (whether or not they are intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality “neutral”? i.e. will have no particular effect on any group.</p> <p>3) Is there likely to be an adverse impact on one or more equality groups as a result of this scheme? If so, who may be affected and why? Or is it clear at this stage that it will be equality “neutral”?</p> <p>4) Is the impact of the scheme – whether positive or negative – significant enough to warrant a more detailed assessment (Stage 2 – see guidance)? If not will there be monitoring and review to assess the impact over a period of time? Give reasons for your answer and any steps you are taking to address particular issues, including any consultation with staff or external groups/agencies</p>
K	<p>Improvement/Betterment - Add 1 point Improvement beyond essential requirement to existing services, work to improve the level of service where there is a proven need and demonstrable benefit. This includes results of Business Transformation or Service Reviews</p>


STAGE 2: CRITERIA FOR ADDING/DEDUCTING ADDITIONAL POINTS (continued)


Category	Criteria																
L	<p>Health & Safety (non statutory) – Points 0 - 5 Relating to Council property, the project is considered necessary for the health and safety of the Council’s employees or the general public and has been agreed with the Corporate Health & Safety Officer:</p> <p>No Risk - 0 points Low Risk - 1 point Medium Risk - 3 points High Risk - 5 points</p>																
M	<p>Risk Register If the scheme’s risks are on the Corporate Risk Register the points to be awarded are Very High Risk 5 points, High Risk 4 points, Medium Risk 3 points, and Low Risk 1 Point. Finance will seek validation of any points awarded here</p>																
N	<p>Partnership working – Add 5 points Projects that involve partnership working where the partner contributes to the completion of the scheme, rather than just benefits from the outcome. This could be funding, in-kind work or involvement in the design process which has a direct affect on the final project</p> <p>Examples would be community involvement, WSCC schemes, “Better Together” (Coastal West Sussex Partnership) and the police. Full details of all partners involved and their contribution to the scheme must be provided</p>																
O	<p>Match Funding / External Funding Utilisation of Council resources – the higher the percentage of funding expected from the Local authority, the less points can be awarded: This has an individual ranking Matrix – please see below:</p>																
	<table border="1"> <thead> <tr> <th data-bbox="145 1644 751 1711">External Funding % received</th> <th data-bbox="751 1644 1453 1711">Points to be added</th> </tr> </thead> <tbody> <tr> <td data-bbox="145 1711 751 1778">0.1% - 24%</td> <td data-bbox="751 1711 1453 1778">1</td> </tr> <tr> <td data-bbox="145 1778 751 1823">25% - 49%</td> <td data-bbox="751 1778 1453 1823">2</td> </tr> <tr> <td data-bbox="145 1823 751 1868">50% - 65%</td> <td data-bbox="751 1823 1453 1868">3</td> </tr> <tr> <td data-bbox="145 1868 751 1912">66% - 75%</td> <td data-bbox="751 1868 1453 1912">5</td> </tr> <tr> <td data-bbox="145 1912 751 1957">76% - 89%</td> <td data-bbox="751 1912 1453 1957">7</td> </tr> <tr> <td data-bbox="145 1957 751 2002">90% - 99%</td> <td data-bbox="751 1957 1453 2002">10</td> </tr> <tr> <td data-bbox="145 2002 751 2054">100%</td> <td data-bbox="751 2002 1453 2054">10 or Automatic Approval **</td> </tr> </tbody> </table>	External Funding % received	Points to be added	0.1% - 24%	1	25% - 49%	2	50% - 65%	3	66% - 75%	5	76% - 89%	7	90% - 99%	10	100%	10 or Automatic Approval **
External Funding % received	Points to be added																
0.1% - 24%	1																
25% - 49%	2																
50% - 65%	3																
66% - 75%	5																
76% - 89%	7																
90% - 99%	10																
100%	10 or Automatic Approval **																


STAGE 2: CRITERIA FOR ADDING/DEDUCTING ADDITIONAL POINTS (continued)

Category	Criteria
O**	Automatic approval is subject to the scheme contributing to the Council's aims, and future financial revenue implications being accommodated with the Council's overall revenue budget. All external funding must be confirmed by source before scheme is included in the Adur or Worthing Capital Investment Programme
P	Consultation – points to be determined by Members (up to 5 points in total) Projects that are important for community/political reasons following consultation

SUMMARY							
THREE YEAR CAPITAL INVESTMENT PROGRAMME							
	Total Estimate £	CAPITAL ESTIMATES				ANNUAL REVENUE COSTS	
		2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BUDGETS							
Cabinet Member for Customer Services	15,544,310	4,336,310	3,685,000	3,761,000	3,762,000	481,530	-
Cabinet Member for Environment	3,372,680	1,218,340	227,010	1,338,560	588,770	348,940	(14,490)
Cabinet Member for Health and Wellbeing	2,871,750	2,737,750	49,500	48,500	36,000	321,630	(539)
Cabinet Member for Regeneration	4,527,950	1,944,950	861,000	861,000	861,000	303,860	(56,000)
Cabinet Member for Resources	585,800	433,580	56,220	48,000	48,000	85,290	4,240
	26,902,490	10,670,930	4,878,730	6,057,060	5,295,770	1,541,250	(66,789)
FINANCING							
Capital Grants and Contributions							
Communities and Local Government		671,470	229,720	229,720	229,720		
Department for Climate and Energy Change		-	-	-	-		
Environment Agency		12,500	12,500	12,500			
Homes and Communities Agency		-	-	-	-		
S106 Contributions from Planning Agreements		497,000	-	-	-		
Other Contributions		317,850	-	-	-		
Prudential Borrowing		4,905,750	1,996,910	3,175,240	2,426,450		
Revenue Contributions and Reserves							
Revenue Contributions		44,750	36,000	36,000	36,000		
Revenue Reserves		3,849,010	2,481,000	2,481,000	2,481,000		
Usable Capital Receipts		372,600	122,600	122,600	122,600		
		10,670,930	4,878,730	6,057,060	5,295,770		

SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME							
	Total Estimate £	CAPITAL ESTIMATES				ANNUAL REVENUE COSTS	
		2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BUDGETS							
Cabinet Member for Customer Services	5,910,200	1,505,200	1,501,000	1,474,000	1,430,000	323,560	(107,460)
Cabinet Member for Environment	7,172,490	3,278,210	884,330	2,246,940	763,010	1,426,290	(95,880)
Cabinet Member for Health and Wellbeing	253,190	135,690	39,500	39,500	38,500	28,260	-
Cabinet Member for Regeneration	450,000	381,500	34,500	34,000	-	39,110	(17,585)
Cabinet Member for Resources	1,280,060	885,170	136,890	130,000	128,000	449,300	41,223
	15,065,940	6,185,770	2,596,220	3,924,440	2,359,510	2,266,520	(179,702)
FINANCING							
Capital Grants and Contributions							
Communities and Local Government		436,720	436,720	436,720	436,720		
Environment Agency		17,500	17,500	17,500			
Homes and Communities Agency		-	-	-			
S106 Contributions from Planning Agreements		84,500	-	-			
Other Contributions		167,200	-	-			
Prudential Borrowing		4,737,850	948,000	2,798,220	1,250,790		
Revenue Contributions and Reserves							
Revenue Contributions		182,100	634,000	92,000	92,000		
Revenue Reserves		228,500	60,000	80,000	80,000		
Usable Capital Receipts							
General		331,400	500,000	500,000	500,000		
		6,185,770	2,596,220	3,924,440	2,359,510		

ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES THREE YEAR CAPITAL INVESTMENT PROGRAMME					
	Total Estimate £	CAPITAL ESTIMATES			
		2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £	Future Years £
Scheme	(2)	(3)	(4)	(5)	(6)
Column Reference (1)	(2)	(3)	(4)	(5)	(6)
<u>PARTNERSHIP SCHEMES</u>					
<i>Admin Buildings</i>					
Commerce Way - Renewal of main office building roof covering	27,500	27,500	-	-	-
Commerce Way - Vehicle Workshop replacement of roof including the provision of solar panels	253,000	253,000	-	-	-
<i>Environmental Health</i>					
Replacement of 4 vehicles	39,500	15,500	24,000	-	-
<i>Grounds Maintenance</i>					
Provision of a storage building with solar panels at Commerce Way for grounds maintenance vehicles and equipment	176,000	176,000	-	-	-
Vehicle replacements - 2 small flat bed tippers	23,000	23,000	-	-	-
<i>Information and Communications Technology</i>					
CenSus ICT Partnership Schemes	650,000	200,000	150,000	150,000	150,000
Corporate ICT hardware and infrastructure replacement programme	434,400	134,400	100,000	100,000	100,000

ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES THREE YEAR CAPITAL INVESTMENT PROGRAMME					
 Scheme	Total Estimate £	CAPITAL ESTIMATES			
		2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £	Future Years £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)
PARTNERSHIP SCHEMES (continued)					
Information and Communications Technology (continued)					
Financial Management System - Total licence extension, Total documents and document service facilities	46,310	35,200	11,110	-	-
Human Resources/Payroll Software - Renewal of licence	49,400	49,400	-	-	-
Refuse/Recycling Service					
Provision of wheeled bins	80,000	20,000	20,000	20,000	20,000
Vehicle Replacements	3,369,820	324,820	-	3,045,000	-
Street Cleansing					
Vehicle Replacements	139,000	31,000	45,000	63,000	-
Vehicle Workshop					
Upgrade of MOT equipment	30,000	30,000	-	-	-
TOTAL	5,317,930	1,319,820	350,110	3,378,000	270,000

Ward: All

ICT Position Statement

Report by the Director for Digital and Resources

1.0 Summary

1.1 This report describes the problems being experienced with basic telephony and ICT services and the urgent actions being taken to improve these business critical services. It also seeks to outline the proposed initial steps for developing a digital road map which will allow the councils to harness the benefits of cloud technologies for a range of stakeholders in our council areas, through buying or building next generation local government digital services, keeping users at the heart of the design/specification process.

2.0 Background

2.1 The Chief Executive, through the Catching the Wave Programme and using a member led recruitment process, successfully recruited 4 new Directors in March 2014. Paul Brewer was appointed Director for Digital and Resources and started on May 6th 2014. The Director has now completed an initial discovery phase allowing the production of this first report to Joint Strategic Committee, the ICT Position Statement.

Telephony Position

2.3 The Unify Openscape phone system, deployed to most staff in Worthing Town Hall and Portland House as part of New Ways of Working (NWoW) Phase 1, is still not operating as required despite the efforts of officers. A report to Joint Strategic Committee on New Ways of Working / Accommodation Project, 5th March 2014 refers to earlier severe problems and since then there have been several further system outages on: 6/3/14 (2hrs 6 mins), 12/3/14 (1hr 10 mins), 13/3/14 (1hr), 7/5/14 (45 mins).

The problems are not only with system outages however. A number of important functions have not yet been adequately delivered, in particular the softphones and hunt groups which allow a call to circulate round a group of phones until it is answered. Initial testing of softphones quickly uncovered problems with operating at any scale and this is still unresolved. This means users continue to use desk phones and a complicated web interface that they struggle with. The effect is that users are often not correctly logged in/out or diverted, often making staff unable to contact each other: *"I get ringing tones, but the phone's not ringing their end"*. We have not yet fully investigated the extent of the day-to-day communication failures but it is clear staff productivity is being very significantly affected, and this constitutes a large

amount of “hidden harm”, users now having changed their behaviour from fault reporting to adaptive working around over time.

- 2.4 There are two main reasons why the Unify Openscape system has not yet been deployed to the customer contact centre and outlying sites, such as Commerce Way and Worthing Crematorium. The first is a low level of trust in the stability of the new system (the outages), and the second is the ongoing delay with the delivery of the Capita Wide Area Network (WAN), which is needed to support the increased network traffic. The WAN issue is discussed further in para 2.11.

The Siemens HiPath system, used by the contact centre, suffered downtime itself on 16th June 2014 for a full day, with a full service only being restored after 1.5 days. This was due to an internet outage at West Sussex County Council which interrupted the routing for certain key phone lines into the Town Hall.

Commerce Way uses the old Phillips switchboard also in use at Adur Civic Centre. There have always been problems with the call routing from that system to the Unify system. Staff at Commerce Way reported to the Director that they often resort to using their mobiles or emailing for a call back to colleagues on the Unify system, a totally unacceptable situation.

Worthing Crematorium, Worthing Leisure and Theatres operate their own small PBX systems which are outdated and therefore also vulnerable to failure. Staff are using their mobiles at Lancing Housing Office.

Immediate Actions

- 2.5 *Contract meetings:* Problems with the Unify system have been escalated to the supplier over the last year in August, September, November and December 2013. An action plan was developed and a number of issues were resolved, such as one-way audio and problems with transferring calls. However there remain problems and more are emerging as staff are consulted again. Following the Openscape outage on May 7th, the Director for Digital & Resources called an urgent contract meeting with the supplier, Unify. As a result, and after some delay, Unify produced a report which while containing promises has not yet resulted in any concrete delivery of improvement. Unify promise to resolve many issues (though have not detailed which) with the “Version 8” upgrade in September 2014. The new Head of Census ICT, John Ross (who started in early June), also met with both Unify and Datrix, the hosting supplier, where he identified problems with the Datrix fail-over (backup system) arrangements which are now apparently being addressed.
- 2.6 *Timeline for supplier and market testing:* The Director and officers have not been satisfied with the commitments given by the two suppliers and we are now working on two strands in parallel. Firstly we plan to set out clear and detailed expectations in a letter to Unify, tied to their commitment to resolve a range of problems in their software upgrade, due in September 2014. We will set out a timeline for delivery with two stages of acceptance testing (September for software changes, then October for successful testing at scale for softphones). Secondly, we plan to conduct a rapid market testing exercise to identify an alternative supplier.

Should Unify fail to deliver a properly working system as specified in the council’s original contract specification, the Council will be in a stronger position to declare

Unify in default of the Contract and consider exercising its rights of termination, and exits rights, under the framework contract.

The Unify report (see 2.5) contains some admissions as to the present unsatisfactory elements of the system at para 3 page 5; 3.1 page 5; 3.2 page 6; last para page 4; for Horsham para 5 page 8;

A breach of contract by Unify would entitle the Council financially to be in the position it would have been in had the contract been properly performed, and a claim for additional expenditure incurred by the Council in dealing with the faults, may be made. As it is unlikely that Unify would willingly return funds paid, such action would inevitably result in a claim against Unify, and potential litigation, although it may be possible to negotiate the provision of a less sophisticated, but acceptable, telephone system from them with a return payment.

In a letter to Unify dated 20th November, the Council's additional costs were expressed to be; additional consultation time £9,000; abortive training costs £8,000; and additional costs for handsets £5,000.

A further report on telephony to Joint Strategic Committee will be needed in October/November 2014, potentially with a proposal for urgent change.

- 2.7 *On the ground support:* The Business Support Manager has been tasked to urgently assess problems on the ground and provide immediate assistance. This work will also help categorise the problems (i.e. software faults, user set-up issues, network etc) and provide evidence to support decision making.

ICT Position – Infrastructure

- 2.8 *Outages:* On 11th April 2013, Joint Strategic Committee received a report on the severe ICT network outage during November 2012. The report reported a financial impact of £52,000 (consulting and overtime) and at least £15,000 in lost income from leisure and theatre services. The loss of staff productivity was not estimated but was considerable given the system only began to be recovered after 12 days. The report highlighted a lack of an ICT Disaster Recovery Plan and adequate Business Impact Analyses for each service. An exempted report by Deloitte was also presented: "ICT Incident Root Cause Analysis".

Since then, staff and customers have experienced frequent service interruptions, and the main ones are listed below. The ICT Disaster Recovery Plan has not yet been produced (Census ICT responsibility) and the Business Impact Analyses (councils responsible) are still outstanding.

A list of major outages since November 2012:

- 15th February 2013 – Power loss to the Worthing data centre resulting in ½ day loss of systems
- 25th February 2013 – Power loss resulting in ½ day loss of systems
- 4th September 2013 – Loss of network link to Worthing Leisure Centre from 8.37 pm to 2.52pm the following day
- 13th December 2013 – Loss of server for contact centre telephone system (1.5 hours)

- 19th May 2014 – Power loss to data centre resulting in lost productivity of a day

It is important to point out that there are also frequent localised outages, for example with single systems, such as finance (Total), payroll (Resource Link), document management (EDRMS) and human resources (MyView). Users have also reported very slow performance when accessing systems located at other sites via Citrix.

2.9 *Census ICT service:* The Director and the Chief Executive have recently held meetings with Mid Sussex and Horsham councils voicing concern with the service levels provided by Census ICT. It has been agreed that the new head of service (who started in June) will conduct a rapid assessment of the service; it's people, processes and technology and report back at the end of July. Adur and Worthing have been clear that it wishes to see a full range of options for the future in the report. An independent IT Health check will be undertaken on 14th July which should provide very useful insight, although this will focus on security rather than performance and service availability. Adur and Worthing also propose to undertake its own Discovery exercise as part of work on a "digital road map" and this is described in section 3 below.

2.10 *Public Service Network (PSN):* During the last year, the PSN accreditation process has placed significant demands on all local authorities, and there have been criticisms nationally around the strictness of the central policy and the costs incurred. Adur and Worthing's PSN accreditation expired on 24th June 2014 but an extension has been granted to Census and all its partner councils to end of July 2014. An IT Healthcheck is scheduled for 14th July 2014 by which time, Census ICT firewall transition, replacement of 30 XP machines and a fully deployed protective monitoring system will have been completed according to Census ICT. The PSN submission is currently planned for 28th July 2014.

It is worth noting that the PSN work has helped identify important vulnerabilities and for example triggered the replacement of hardware that was end-of-life and could have caused future outages. It is not acceptable that this PSN work is identified as the cause for delay in producing a disaster recovery plan however.

2.11 *Wide Area Network (WAN):* As mentioned in 2.4 above, the physical network lines connecting our offices (WAN) need to be enhanced to support New Ways of Working technology. This was ordered from Capita by Census (i.e. in large part paid for) in March 2013 and has still not been delivered. The Head of Census ICT is escalating this via Horsham legal services at present, and is also working on alternative solutions, for example with the current provider 6degrees. The Director has escalated the situation to Capita's Local Government Market Director. As an example of the impact of the WAN issue, Lancing Housing Office remains unable to access services as basic as printing.

Immediate Actions

2.12 *Disaster Recovery Plan & Business Impact Analyses:* In May, work was initiated to bring in specialist consultant PTS Consulting to rapidly produce a Disaster Recovery Plan. This work was handed on to the new Head of Census ICT and Adur & Worthing services are being interviewed week commencing 7th July, with a view to

producing a highly practical DR action plan by end of July. The Director is working with the Emergency Planning Officer to take proposals to Council Leadership Team on business continuity requirements in the round. This will develop the action plan to include completion Business Impact Analyses across our services.

- 2.13 *Census Review:* The new Head of Census ICT is conducting a rapid review which will report at the end of July, diagnosing the issues relating to people, processes and technology and offering up a full range of options for the future.
- 2.14 *Project Management:* We are re-establishing project management for New Ways of Working, alongside the telephony support previously mentioned in 2.7. This will register the issues for staff and manage the resolution of them where possible, and ensure better, more regular communication with staff. It will also bring together evidence of issues which cannot be immediately resolved, be they related to technology or ICT service levels, to support decision making. This project will be included in the programme of the Digital Projects Board (see 2.17).

ICT Position – Applications

- 2.15 Analysis of the applications portfolio is underway with the aim of quantifying total spend on software, maintenance, human resources, and understanding contract commitments. This data will feed into the initial Discovery work to be commissioned by Adur & Worthing discussed in section 3 below. An audit of Access databases has revealed 44 bespoke in-house databases which are difficult to maintain and present business continuity risk (they require bespoke knowledge and skills).
- 2.16 In terms of human resources, business analysis, applications development/support and data insight resources currently sit in different parts of the Adur and Worthing structure and there is a lack of strategy to steer effort and investment. An assessment of structure and skills will also be a key part of the Discovery work.

Immediate Actions

- 2.17 A Digital Projects Board is being set up to establish strong project governance over current projects to ensure decisions are taken in light of emerging strategy and overlaps in spend and effort are addressed.
- 2.18 *Gathering data:* The Director is gathering data on ICT spend and contract commitments to be fed into the Discovery work.
- 2.19 *Interviews and Visits:* The Director has now visited many front line teams, as well as technical teams and gained a high level understanding of the challenges and opportunities for digital at Adur and Worthing. Visits to Harrow, Eastbourne and Monmouthshire have also been very useful in developing an approach to creating a “digital road map”.

3.0 Proposals

Digital Road Map for Adur and Worthing

- 3.1 At present, Adur and Worthing is in a very challenging situation, lacking reliable basic ICT and telephony services. Urgent improvement is required and action is being

taken as outlined in section 2. But it is also vital that we begin to develop our own approach and build the capabilities that allow us to harness the potential of modern digital cloud-based technology – indeed potentially to develop a leading role in the sector. We will require energy, discipline and pace because it is vital to pursue both agendas together.

- 3.2 The internal review of the Census ICT service is welcome but alongside this the Director for Digital and Resources proposes to begin staged work on a digital road map for user-centred technology transformation, supporting Catching the Wave focus areas by delivering new capabilities for the organisation, partners, residents, communities, businesses and tourism.
- 3.3 It will be vital to develop this thinking collectively and collaboratively “from the outside in”. To this end, residents, members, communities, local businesses and partners must all be involved along with staff in creating and delivering the digital road map and early work will involve designing appropriate participation events. As one starting point, Adur and Worthing has offered to host a south-east regional Localgovcamp in the autumn (a digital “unconference” popular with thought leaders), which will provide an opportunity to host fringe events for local groups and industry experts on developing our digital road map ambitions.
- 3.4 The very first stage identified for the road map ties in the urgent questions around our infrastructure and its support arrangements along with assessment of our current software choices and costs. It will explore the technology architecture that we have and begin to map out the new capabilities we will need for the future. This is a 3 week Discovery piece looking at: business need, data, applications, technology, finance and commercials. Through workshops and 1-2-1s we will gain our own understanding of our current technology position and produce a high level capability needs map to inform the next stage of the work and also to inform key decisions about ICT service requirements going forward.
- 3.5 Subject to approval by Councils Leadership Team who will receive a presentation / discussion on July 22nd 2014, we propose to engage Methods Consulting via the G-Cloud procurement framework. Methods (methods.co.uk), an independent technology consultancy, have more experience than anyone of implementing public cloud solutions into local government. The Discovery work will be 25 days at a cost of £16.5k, being a 2 week sprint and 1 week review using an agile project approach, during September.
- 3.6 It is expected that these findings, along with the continued assessment and design work of the Director, Councils Leadership Team and Cabinet colleagues, will lead to next stage proposals for Joint Strategic Committee in the autumn. These next stage proposals, developed within a broader “digital road map” concept for our areas, will include recommendations for telephony, ICT services (infrastructure and desktop support), and the undertaking of a 9 week blueprinting exercise (through a consultant) which will examine the business case for investment in a fundamental technology refresh to reduce overall revenue costs in the long term and deliver significant multiple customer and business benefits. It is not yet clear what level of ongoing external support will be required, but this will very likely be a vital component for affecting change and introducing new skills into the organisation. There are also emerging commercial opportunities through partnership with another council and private enterprise which the Director is actively exploring at present.

- 3.7 It is proposed that the staged approach to consultant engagement will effectively manage financial risks and help build confidence and understanding incrementally. For the first Discovery work, the consultancy Methods undertake to handover their findings to another supplier if that were needed, and indeed discussions with other consultancies, councils and technology agencies will continue as we strive to develop the right mix of contributions.

4.0 Legal

- 4.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 4.2 Alternatively s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 4.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

5.0 Financial implications

- 5.1 The Methods Discovery work (£16.5k) will be funded from existing budgets within the Digital and Resources Directorate.
- 5.2 The set-aside of £225k proposed in the capital strategy 2014/17 to support the emerging digital strategy will be used to fund new software services and associated implementation costs. This will be subject to the approval of the Joint Strategic Committee in later reports.
- 5.3 It should be noted that there may be further revenue resources required later in the year to take the strategy work forward as a result of our findings. Again, this will be subject to the approval of the Joint Strategic Committee.

6.0 Recommendation

That Joint Strategic Committee:-

- (i) Notes and agrees the immediate actions being taken by the Director for Digital and Resources and Census ICT to address the urgent issues with telephony and ICT services.
- (ii) Approves, subject to Council Leadership Team approval on July 22nd, the Methods Discovery Consultancy work.
- (iii) Approves the staged approach to creating a digital road map for the councils, agreeing the emergent nature of the strategy and the commitment to

developing it with a range of stakeholders

Local Government Act 1972

Background Papers:

Joint Strategic Committee on New Ways of Working / Accommodation Project, 5th March 2014

Contact Officer:

Paul Brewer

Director for Digital & Resources

paul.brewer@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 The proposals are in support of the Catching the Wave focus areas, in particular adaptive councils.

2.0 Specific Action Plans

- 2.1 These proposals will assist the delivery of Catching the Wave, particularly by creating the “digital commons”, the platform upon which new personalised services can be delivered and new community support networks can be built.

3.0 Sustainability Issues

- 3.1 Cloud services make a positive contribution to sustainability: The cloud encourages important clean-tech applications like smart grids and it also encourages consumers to use virtual services such as video streaming to replace resource-heavy physical products. The cloud also draws resources to where they are used most efficiently and its jobs tend to be cleaner and safer than those of more traditional industries. The cloud’s efficiency and scalability help reduce energy usage. By reducing the need for hardware, companies can reduce costs and eliminate the need for maintenance and upgrades. The cloud offers cheaper running costs and more flexibility for businesses hoping to expand. The cloud also increases productivity through its ability to accommodate online collaboration that reduces the need for face to face meetings.

4.0 Equality Issues

- 4.1 Digital inclusion issues will be a key feature in the digital road map, where needs such as wi-fi and broadband provision will be addressed, and device trends and application use-ability and simplicity are key to success.

5.0 Community Safety Issues (Section 17)

- 5.1 New digital services can help with engagement and involvement of young people and in connecting them to support. Improved multi-agency working through digital tools like Patchwork can also help improve communication between enforcement and support agencies.

6.0 Human Rights Issues

- 6.1 Privacy and security issues are the most important issues for citizens in relation to government use of digital and it will be essential to strike the balance of risk and reward here, and communicate exceptionally well with residents and members.

7.0 Reputation

- 7.1 A failure to act to radically improve the digital offer risks a continued experience of loss of telephony and ICT services which is very damaging.

8.0 Consultations

8.1 None so far

9.0 Risk Assessment

9.1 Risks are managed through a staged approach to developing the digital road map. Strong project governance will be essential as the programme develops.

10.0 Health & Safety Issues

10.1 None identified

11.0 Procurement Strategy

11.1 Methods are being engaged through the G-Cloud framework with the support of the procurement team and the engagement is fully compliant with procurement rules.

12.0 Partnership Working

12.1 None at present

Ward: [All]

Arrangements for the Enforcement of Unlawful Encampments

Report by the Director for Communities

1.0 Summary

- 1.1 At Joint Strategic Committee on 7 January 2014, the Committee delegated authority to officers to agree details of a multi-partnership arrangement with counterparts across West Sussex, in order to facilitate the development of a Transit Site located in Chichester District, with West Sussex County Council (County Council) being responsible for its management.
- 1.2 The multi-agency partnership has evolved from developing the transit site, to now providing for the County Council to take the lead in managing and carrying out all of the enforcement and legal work in connection with all unauthorised encampments across West Sussex. To facilitate this, Adur and Worthing Councils' Enforcement Procedure for Unauthorised Traveller Encampments and Standard Operating Procedures for Unauthorised Encampments will need revising, the enforcement work will need outsourcing to the County Council, and the associated legal work will need to be delegated from each Council to the County Council to carry out this work on behalf of Adur and Worthing Councils.

2.0 Background

- 2.1 A report to Joint Strategic Committee entitled "A County wide approach to improving the management of Unauthorised Encampments" dated 7 January 2014, provides detailed background information. Pursuant to that report, the Committee approved Adur and Worthing Councils entering into a multi-partnership arrangement to manage unauthorised encampments across West Sussex. This would be facilitated by a Transit Site being located in Chichester District with the County Council being responsible for the management of that site. Adur and Worthing Councils agreed to contribute £15,000 per annum each towards the running costs of that Transit Site from 2015/16 onwards.
- 2.2 Planning permission for the Transit Site was approved in April 2014. Chichester District Council are currently tendering for the construction of the site and four companies have indicated that they will be submitting tenders, which are due at the end of July. Work is due to commence on site by 22 September 2014.

- 2.3 At a meeting of the County's Chief Executives, the Multi-Agency Enforcement Protocol (the Protocol) (Appendix 1) was agreed. This provides for the County Council to manage and co-ordinate all enforcement and legal work in connection with unauthorised encampments. A draft of the Multi-Agency Agreement (the Agreement) is currently being circulated and discussed by all of the Councils in the County, this provides details of all of the services that the County Council will be providing, and proposes that the costs are split equally between all West Sussex Councils.
- 2.4 The proposals follow the East Sussex Councils approach, which has proved successful in reducing the number of unauthorised encampments in that County.
- 2.5 The Committee are asked to consider approving the Protocol and Agreement that will facilitate the partnership, and outsource the enforcement work and delegate authority to carry out legal work to the County Council in connection with unauthorised encampments.

3.0 Proposals

- 3.1 The Protocol provides that when an unauthorised encampment is first reported, details are sent to the County Council's Gypsy and Traveller Team who will visit the site as soon as possible, but in any event within one working day of notification, and will undertake health and welfare enquiries.
- 3.2 The County Council will contact Adur and Worthing Councils' Legal Services for a decision whether or not to tolerate the trespassers. The County Council will liaise with the Police and all other relevant agencies and co-ordinate a response. Where a decision is to not tolerate the trespassers, the County Council will serve papers and take relevant legal action.
- 3.3 Adur and Worthing Councils will continue to be responsible for communicating the updated position to Members and the public; clearing and securing the site after it has been vacated; and be responsible for the County Council's enforcement and legal costs and disbursements.
- 3.4 At present the County Council does not have capacity, and is not authorised, to take legal action on behalf of Adur and Worthing Councils. It is envisaged that the County Council will have capacity when the Transit Site is operational. Until then, the Protocol provides that if the County Council is unable to take action for resource reasons, then they will advise Adur and Worthing Councils within one working day, so that they may take direct action.
- 3.5 Joint Strategic Committee authorised Adur and Worthing Councils to enter into a Multi-Agency Agreement to facilitate the management of the Transit Site. The draft Agreement however goes further than this, providing that the Councils shall be responsible for the travel, court, solicitor/barrister costs and

any other reasonable costs incurred by the County Council in performing the 'services'.

- 3.6 Whilst the Protocol provides for all enforcement and legal work to be carried out by the Council, this is contrary to the Multi-Agency Agreement. The 'services', according to the Multi-Agency Agreement, include all matters relating to the running of the Transit Site and, provides for the additional services of both enforcement action and legal work to be carried out by the County Council, at the discretion of each Council in West Sussex. The enforcement and legal work would include: conducting site visits and welfare enquiries, issuing legal proceedings, obtaining and collating evidence, arranging court hearings, attending court, liaising with agencies, instructing Counsel and/or external solicitors, employing bailiffs and process servers.
- 3.7 The Agreement sets out that the costs of providing the 'services' will be £15,000 for each Council in the first year, and thereafter as agreed at each bi-annual meeting preceding payment. It is not clear from the draft Agreement how this figure has been derived at, or whether this figure is simply for the costs of the Transit Site, and does not include the costs of enforcement and legal work. There is currently no information as to costs after the first year, no clarity as to the costs of enforcement and legal work and no way of assessing or ensuring best value.
- 3.8 The costs of the services are to be split equally between all of West Sussex Councils, irrespective of the amount of unauthorised encampments in each Council's area, and irrespective of the amount of times the County's legal services are utilised. There is a risk that some authorities could effectively end up subsidising the enforcement and legal work of others, depending on the demand for the service. It is not clear how this represents best value for Adur and Worthing Councils.
- 3.9 Historically, Adur and Worthing Councils' Legal Services have arranged for process servers to attend the site to carry out welfare assessments with the trespassers, having obtained quotes from various process servers to ensure best value. Where court hearings are held at Worthing Magistrates' Court, travel time and costs are minimal, due to the proximity of the Councils' legal Officers to the Court. Legal Services' Officers prioritise dealing with unauthorised encampments over other Council work, rather than instructing and incurring the cost of external solicitors or Counsel. Training has been provided to all of the Councils' lawyers to ensure there is a robustness in the service provision, and not dependency on one individual. Given these factors it is difficult to provide an assessment as to whether the new model will provide best value in relation to the provision of Legal Services.
- 3.10 There is a risk that the provisions of these services by the County Council may be more expensive, given travelling time from Chichester to Worthing / Brighton Magistrates' or County Courts, and the additional costs should the County Council appoint an external solicitor or barrister to attend a Court hearing.

- 3.11 Should more than one unauthorised encampment take place at the same time in West Sussex, the County Council will have to prioritise which encampment to deal with as a matter of priority. This may cause delay for Adur and Worthing Councils in dealing with an unauthorised encampment locally. Alternatively, where there is a conflict, the County Council may employ external process servers and Counsel to avoid delay, but this will be at a greater cost, that will get passed on to all Councils regardless of the location of the encampment.
- 3.12 The Agreement is for a period of 60 years; it is difficult to terminate the Agreement; and the Councils would remain liable for any obligations remaining unfulfilled should we terminate. During that 60 year period the Councils would have to pay contributions pursuant to the Agreement which the County Council are contractually bound to pay. In addition, the Councils must indemnify the County Council for all costs and claims in damages arising out of the County Councils performance of the Agreement.
- 3.13 In relation to the Transit Site, the Agreement contains an operational policy that limits access to the site to the hours of 9am - 5pm Monday - Friday. It is not clear if this includes bank and public holidays. This also means that travellers cannot be directed to the site outside of those hours Monday - Friday or at the weekends.
- 3.14 Site licenses for the Transit Site will be renewed on a weekly basis for a period of up to 12 weeks at the discretion of management. No returns will be allowed for 6 months from the date of departure. There is clearly friction here between the Transit Site being a short term stay against the need to be able to direct travellers to the Transit Site when they are trespassing on land.
- 3.15 The report to Joint Strategic Committee in January 2014, set out the benefits of the Transit Site, and identified that for this to be effective in reducing the number of unauthorised encampments, there needed to be a consistent multi-agency approach to managing both the Transit Site and unauthorised encampments. That report endorsed the East Sussex Councils' approach, based on the County Council taking the lead role in both the management of the site and enforcement.
- 3.16 Given the considerable success of significantly reducing unauthorised encampments using this model enjoyed by East Sussex Councils, West Sussex Councils' Chief Executives are keen to secure the same results by entering into the Protocol and Agreement.
- 3.17 Revisions have been made to the Councils' Enforcement Procedure for Unauthorised Traveller Encampments (Appendix 2) and Standard Operating Procedures for Unauthorised Encampments (Appendix 3) to facilitate and reflect the transitional phase of the County Council commencing enforcement activities where they have capacity, with Adur and Worthing Councils retaining the legal role.

- 3.18 In order to give full effect to the Protocol, the Councils will need to consider if they wish to outsource and delegate all of the enforcement and legal work to the County Council, when the County Council has the resources to undertake this work.
- 3.19 The Standard Operating Procedure for Unauthorised Encampments (Appendix 3) has also been amended to provide at paragraph 4.4 for planned events to go ahead on sites occupied by trespassers where possible, in order to minimise the adverse impact of unauthorised encampments, and to enable the Police to take the planned events into account when considering the use of their powers pursuant to Section 61 of the Criminal Justice and Public Order Act 1994, to direct trespassers to leave the land.

4.0 Legal

- 4.1 Section 101(1)(b) Local Government Act 1972 provides that a local authority may arrange for the discharge of any of their functions by any other local authority.
- 4.2 Section 77 Criminal Justice and Public Order Act 1994 provides a local authority may give a direction to trespassers to leave the land and remove their vehicles and property from the land. Section 78 of that Act provides that a local authority may apply to a Magistrates' Court for an Order requiring the removal of any vehicle or property or persons remaining on the land in contravention of the direction served under Section 77.
- 4.3 Part 55 of the Civil Procedure Rules provides that a possession claim against trespassers may be issued in the County Court in order to secure vacant possession of the land.

5.0 Financial implications

- 5.1 The financial implications of the Transit Site have already been considered and approved by this Committee in January 2014. The Agreement refers to the costs of the services being £15,000 per annum per Council. This sum was approved by Committee in January 2014 in respect of the Transit Site costs. However, it is unclear whether the £15,000 includes enforcement and legal services costs, or if those costs are at present unknown and in addition to the £15,000.
- 5.2 The costs of the services will be reviewed annually, with each Council being responsible for one eighth of the total costs, irrespective of the number of unauthorised encampments in their respective areas, and irrespective of the legal costs incurred securing their own land.

6.0 Recommendation

Joint Strategic Committee is asked to:

- 6.1 Consider whether or not to outsource the enforcement work and delegate the legal work to West Sussex County Council in respect of unauthorised encampments in Adur and Worthing (save for the decision to tolerate or not tolerate the trespass, which will remain the decision of the Solicitor to the Council at Adur and Worthing Councils).
- 6.2 If the Committee consider the enforcement work should be outsourced and legal work should be delegated to West Sussex County Council in respect of unauthorised encampments in Adur and Worthing:
- i) to approve the Multi-Agency Enforcement Protocol (Appendix 1);
 - ii) to delegate to the Director for Communities in consultation with the Solicitor to the Council to enter into the Multi-Agency Agreement for West Sussex County Council to carry out enforcement and legal services relating to unauthorised encampments in Adur and Worthing;
 - iii) to approve the revisions to the Councils' Enforcement Procedure for Unauthorised Traveller Encampments (Appendix 2) and Standard Operating Procedures for Unauthorised Encampments (Appendix 3) to facilitate and reflect the transitional phase of the multi-agency arrangement; and
 - iv) to delegate to the Director for Communities in consultation with the Solicitor to the Council to make further revisions to the Councils' Enforcement Procedure for Unauthorised Traveller Encampments and Standard Operating Procedures for Unauthorised Encampments to reflect that West Sussex County Council should be undertaking the legal role when they have the resources.

Local Government Act 1972

Background Papers:

A County wide approach to improving the Management of Unauthorised Encampments Report to Joint Strategic Committee 7 January 2014.

Contact Officer:

John Mitchell
Director for Communities
Worthing Town Hall
01903 221049
john.mitchell@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 Provide and develop customer driven and cost effective services;
- 1.2 Adopt more sustainable ways of delivering services.

2.0 Specific Action Plans

- 2.1 The proposals set out in the report are thought to be consistent with the aims and objectives of the work undertaken by the Adur and Worthing Gypsy and Traveller Strategic Working Group.

3.0 Sustainability Issues

- 3.1 Matters considered and no issues identified.

4.0 Equality Issues

- 4.1 Travellers are an ethnic minority group and Equalities Legislation is applicable and their Human Rights must be taken into consideration.

5.0 Community Safety Issues (Section 17)

- 5.1 The proposals set out in the report have a positive impact on community safety in Adur and Worthing.

6.0 Human Rights Issues

- 6.1 In dealing with unlawful encampments both the Human Rights of the travellers and of the settled community must be taken into account and balanced against each other. Any action taken must be proportionate and reasonable.

7.0 Reputation

- 7.1 Currently arrangements for dealing with unauthorised encampments have significant detrimental impact on the reputation of the Councils. The proposals set out in the report will improve the reputation of the Councils significantly.

8.0 Consultations

- 8.1 Matter considered and no issues identified.

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 Proposal requires partnership working with West Sussex Councils, Sussex Police and the HCA.

Unlawful Encampments - Multi Agency Enforcement Protocol

1. Aim and Scope

- 1.1 The aim of this protocol is to set out the working practices between West Sussex County Council, Chichester District Council, Worthing Borough Council & Adur District Council, Arun District Council, Horsham District Council, Crawley Borough Council and Mid Sussex District Council in respect of the management of unauthorised encampments which occur on land owned by or managed by these authorities.
- 1.2 The Leaders of all of the Authorities are committed to the development of multi-agency arrangements led by the County Council. It is recognised that the recurring nature of unauthorised encampments in recent years has created a need to work together to reduce the number of encampments and mitigate their impact on local communities
- 1.3 It is intended that this protocol will set out the actions of the County Council and the Districts and Boroughs to mitigate the impact on their residents and on their land of unauthorised encampments.
- 1.4 This protocol only concerns the authorities in 1.1 above but is supported by a multi-agency protocol with Sussex Police.
- 1.5 This protocol relates to unauthorised encampments which are trespasses by gypsies & travellers on public land and not to the development of private land without the necessary planning permission.
- 1.6 All authorities using this protocol will act to ensure that resources and arrangements are deployed and that proper authorisation is given to ensure the effective working of the protocol.
- 1.7 All District and Borough Councils will make Parish Councils aware of this protocol. The Authorities will work with Parish Councils to develop arrangements for effective joint working in line with the aims of this protocol.

2.0 Initial Action at New Sites by local Districts and Boroughs

- 2.1 When a new encampment comes to the notice of a District or Borough Council, they will email the Gypsy & Traveller Team at West Sussex County Council, giving as much information as possible about the encampment including:
 - Full details of the location
 - Full details of the extent of the land ownership for the site preferably with a marked boundary plan
 - Details of how the unauthorised encampment became known .
 - Details of any Police Reference.

Email and telephone contact details for a single point of contact from the District or Borough Council

- 2.2 The County Gypsy and Traveller team will confirm whether they are able to undertake action in respect of the specific site. If the County is unable to take action - for resource reasons - then they will advise the relevant single point of contact officer as soon as possible but in any event within 1 working day. It is expected that most encampments will be managed by the County Council as anticipated by Leaders..
- 2.3 In the event that the County Council is unable to undertake the action the District or Borough Council will then be responsible for undertaking the actions in this protocol in respect of the unauthorised encampment . The remainder of this protocol must be read bearing in mind the effect of this paragraph. In such a case the County Gypsy and Traveller Team will provide such advice and support as may be required.

3.0 Initial Action by the County Council.

- 3.1 When a new encampment is reported to the County Council direct the County Council will liaise with the appropriate District or Borough to clarify any details needed to process the matter and will notify the Police if urgent Police attendance is required.
- 3.2 The County Council or its agents will visit the encampment as soon as reasonably practical but within 1 working day of notification of the encampment by the relevant District or Borough.
- 3.3 The County Council will undertake Health & Welfare enquiries of the occupants of the encampment and carry out appropriate checks of any issues that are raised. They will provide occupants with clear advice on their expected conduct whilst on site, issue occupants with a 'Code of Conduct' and provide details of nearest essential services. The County Council will ensure that it complies with the "Guidance on Managing Unauthorised Camping" published by the Department for Communities and Local Government and any successor or amended guidance by any successor or amending body ("the Guidance").
- 3.4 The County Council, or its agents, will liaise with Sussex Police and arrange to attend a joint site visit, together with a representative of the landowner, to the site in order for the police to assess whether the discretionary power to remove trespassers under part V of the Criminal Justice and Public Order Act 1994 ("the 1994 Act") applies in the circumstances.
- 3.5 The County Council, or its agents, will report by email to the nominated contact of the instructing authority with full details of the encampment,

including the completed welfare audit form, the impact on the local community of the encampment and provide information to the authority in order for that authority to undertake an assessment, following the Guidance, as to whether to tolerate the encampment for a limited period or proceed with action to effect an eviction.

- 3.6 The County Council may, where considered appropriate and usually within 24 hours of the initial visit, arrange a discussion with the appropriate agencies whose responsibilities may be engaged by the particular encampment. This could include but not be limited to Sussex Police, Environment Agency, Environmental Health, Adults/Children's Services, Public Health, Trading Standards and local authority representatives. The purpose of the discussion will be to share information and agree further actions required and establish a timeline for those actions. The agencies will agree a means of on-going communication with the occupants of the encampment and adjoining or affected settled community in order to monitor and manage any potential community tensions.
- 3.7 Once a decision not to tolerate an unauthorised encampment has been taken by the instructing authority, or when a period of agreed toleration has ended the County Council will commence legal action and prepare papers for service. The County Council will advise the occupants of the encampment of the decision and if required serve all appropriate Notices and court documents on the occupants of the site. This will be undertaken as soon as possible after receiving notification from the instructing authority that documents are ready for service.

4.0 On going Action by Districts & Boroughs.

- 4.1 Each Authority will be responsible for ensuring that its own Members and local residents are updated as to the current situation with any encampment in accordance with their normal procedures e.g Street Surgery with representatives from Sussex Police and the District/Borough
- 4.2 Each Authority will provide the County Council with any updates received regarding an unauthorised encampment including the result of any Court hearing including any evidence that persons at the site are failing to meet the standards of the Code of Conduct for the site as described in paragraph 3.3.
- 4.3 Where officers of a District or Borough can provide evidence in support of Court action they will prepare and supply witness statements and/or attend Court as requested by the County Council.

4.4 Once a site has been vacated each authority will be responsible for the clearance of any rubbish and for re securing the site and consideration of the future security of the site.

4.5 Where a District or Borough Council has taken action it will provide a copy of the relevant Travellers Audit form to the County Council for record keeping purposes. District or Borough Councils will also provide details of any costs incurred in relation to dealing with the unauthorised encampment.

5.0 **On Going Action by County Council**

5.1 The County Council or its agents will:

- Prepare any written statements as may be required to support any on-going court action
- Attend court and give oral evidence as required
- Undertake service of all court documents and provide certificates of service in a suitable format.
- Undertake any enforcement action to secure compliance with any court orders made ensuring that all authorities are notified of any pending eviction.
- Ensure that the instructing authority is kept fully up to date with site issues by emailing the single point of contact officer on a regular basis.
- Liaise with instructing authority single point of contact officer to ensure site clearance arrangements have been made to enable the site to be returned to its original condition as soon as possible.

5.2 Each individual Authority will be responsible for the County Councils reasonable costs in undertaking the above.

5.1 The County Council will record details of unauthorised encampments, sharing information with partners to ensure effective management of unauthorised encampments and to do so in accordance with information sharing protocols.

6.0 **Other Public Land**

6.1 The County Council will also give advice and assistance to any local Parish Council seeking support in dealing with an unlawful encampment on Parish Council land.

6.2 The County Council has discretion to undertake Court action at the request of a Parish Council but the Parish will be responsible for the County Councils reasonable costs in undertaking this on their behalf.

7.0 **Review**

7.1 This protocol will be reviewed at regular intervals by the West Sussex County Council and the West Sussex District and Borough Councils.

ADUR DISTRICT COUNCIL

And

WORTHING BOROUGH COUNCIL

**ENFORCEMENT
PROCEDURE FOR
UNAUTHORISED
TRAVELLER
ENCAMPMENTS**

**ENFORCEMENT PROCEDURE FOR UNAUTHORISED TRAVELLER
ENCAMPMENTS**

1 INTRODUCTION

This statement summarises the general approach which Adur District Council and Worthing Borough Council's ("the Councils") Legal Officers take in respect of enforcement action against unauthorised encampments of gypsies and travellers in the areas of the Councils.

2. PROCEDURE

2.1 First Steps

When the Council is notified of an unauthorised encampment, the first step is to ascertain whether the land is owned by the Council or not. The client department, Parks and Foreshore, Leisure, Estates or Car Parks, will be asked to carry out a brief site visit to confirm the presence of an unauthorised encampment, its the precise location, size and other information needed to confirm land ownership. No Officer should attend alone. If appropriate, photographs can be taken at this stage.

If the land is Council owned, the Solicitor to the Council will contact the Gypsy and Traveller Team at West Sussex County Council (the Traveller Team) when this is up and running, with instructions as to the:

- Full details of the location of the group
- Full details of the extent of the Councils ownership
- Details of the member of the public reporting the encampment , if available.
- Details of any Police Reference.
- Details of single point of contact who should be available as a representative of the Council as Landowner to attend any subsequent multi agency meetings.

Generally, if the incursion is on privately owned land the Councils will not deploy resources in attempting to remove the travellers. If a landowner does approach the Council for assistance, this is a decision for the Solicitor to the Council, as to whether the Councils would act on behalf of the landowner. A decision to do so would usually only be made in exceptional circumstances, and either an undertaking to repay costs

incurred, or payment on account of costs, would be required. Further advice, provided by the Council and Sussex Police, for private land owners facing unlawful encampments on their land can be found on the Councils' website.

The Solicitor to the Council will be responsible for notifying other departments and external bodies as to the presence of an unauthorised encampment in the area, as necessary.

In general, the presence of an unauthorised encampment should always be communicated to the following:

The Chief Executive

Directors

Heads of Service

All Members of each Council

MPs (Sir Peter Bottomley and Tim Loughton)

Police, including Chief Inspector, Inspector and Gypsy & Traveller Liaison Officer

West Sussex County Council (Travellers Advice Line)

Parks & Foreshore Manager

Leisure Centres General Manager

Estates Manager

Car Parks Manager

Community Wellbeing Manager

Environmental Health Manager

Housing Services Manager

Corporate Safety Manager

Contact Centre / Help Point Manager

Public Relations Officer

Business Services Manager

All neighbouring authorities (to include Arun, Horsham, Brighton & Hove, Chichester, Mid Sussex)

2.2 Initial Assessment

APPENDIX 2

It is recognised that unauthorised gypsy and traveller encampments can have a significant impact on the environment and on local communities and the Council will use the powers at its disposal to protect its landholdings, subject to the welfare needs of the travelling community. There is a legal obligation upon a local authority to undertake appropriate welfare checks and give due consideration to the information obtained, and if the Council fails to do so, any enforcement action could be challenged by way of judicial review proceedings, and rendered unlawful.

The Traveller Team (or process server) will carry out the assessment visit, the purpose of which is to establish:

- Basic information from the travellers (including the number of families present, number of children and young persons present, vehicles involved, past and future intended movement, anticipated length and reasons for stay).
- The Travellers wishes and intentions as to further travel and the availability of lawful alternative campsites in the area.
- Any adverse impact from the encampment on the welfare of persons other than the travellers and the local environment and how (if at all) this could be mitigated.
- The existence of any perceived welfare, social care, health or educational needs. Where information is refused, it is recorded, together with reasons for the refusal to provide information.
- The present state of the encampment, including general appearance, damage and rubbish accumulation.
- Particular features of the encampment, its location and impact on the community.

The Traveller Team (or process server) will seek to assist those on an unauthorised encampment by providing information about the availability of local health, education and housing services, as well as any alternative authorised sites within the area, or neighbouring areas. Information will be given at this assessment visit concerning access to appropriate local services.

The Traveller Team (or process server) will report back to the Solicitor to the Council with full details of the encampment, including the completed welfare audit form, the impact on the local community and provide recommendations for the authority to consider.

Following the visit, there will be effective liaison by the client department, with other relevant departments such as Education, Social Services or Health Authorities, as necessary and in accordance with the Multi Agency Enforcement Protocol.

2.3 Decision to Tolerate or Not

Once the basic information has been obtained, the Councils will need to assess the situation and decide whether to tolerate the travellers and / or gypsies, and if so, for what time period, or whether to take enforcement action to seek their removal.

Responsibility for deciding whether to tolerate the presence of gypsies / travellers, or to use the legal enforcement powers available to the Councils, is delegated to the Executive Head of Corporate & Cultural Services and further sub-delegated to the Solicitor to the Council and certain Legal Officers. The Solicitor to the Council will therefore consider information gained from the initial assessment visit, the welfare audit and the client department and taking into account all relevant matters and no irrelevant matters, to comply with the Councils' statutory obligations, will make a decision as to whether to tolerate the traveller / gypsy incursion or not.

The response to any unauthorised encampment on Council land will be a proportionate one, determined on a case by case basis by taking into account the individual circumstances of the unlawful occupiers, the rights and interests of the local community, any statutory obligations, and any other relevant factors. In determining the most appropriate course of action the Councils' Legal Officers will consider the welfare needs of the travelling community and their way of life, and balance these against any impact caused to members of the settled community and / or the environment.

Legal Officers will have regard to:

- The Councils' right to protect its land and its assets.
- Any potential loss of amenity to the public.
- Any relevant statutory obligations.
- Whether the land in question is required for operational or development purposes.
- Whether there is a risk to public health or safety.
- Highway safety.
- Whether the site is causing or is likely to cause nuisance to nearby residents and / or businesses.
- The impact of the site on the environment.
- The health and welfare of those on the site.

The decision as to whether to tolerate the travellers or alternatively, to take enforcement action, will be conveyed, in writing, together with written reasons, by Legal Officers to the client department and the Traveller Team.

Where a decision not to tolerate is made, the Traveller Team will liaise with the Duty Inspector from the local Police and establish whether the Police intend to evoke their powers under section 61 Criminal Justice and Public Order Act. In general, the Police have a specific power under this legislation to remove travellers from an unauthorised encampment where it presents a risk to those on the site, the land itself is of a particularly sensitive nature, or the presence of the encampment is seriously disrupting the ability of the settled community to make use of facilities or conduct their business.

3 LEGAL ACTION

If Legal Officers decide not to tolerate the unlawful insurgence, they will then go on to consider and determine which legal route to use to seek their eviction and will commence the appropriate legal proceedings.

If the Councils' Legal Officers decide to commence court action to seek the eviction of the travellers and / or gypsies, they will consider the two primary legal powers

available; powers under section 77 Criminal Justice and Public Order Act 1994 and a possession application to the County Court under Civil Procedure Rules Part 55.

3.1 Criminal Justice and Public Order Act (CJPOA) Powers

S.77 CJPOA allows local authorities to direct unauthorised travellers / gypsies to remove vehicles and other property from their land. The Solicitor to the Council will draft such a notice in accordance with s.77, and the Traveller Team (or process server) will attend and personally serve the document. This should be done, with a Police Officer present (where appropriate). A certificate of service must be obtained.

If the travellers fail to comply with the s.77 direction, and do not leave the land and remove their vehicles, they commit a criminal offence, in accordance with s.78. If they have not left within 24 hours of the notice being served, and do not appear to have a legitimate defence, the Solicitor to the Council will lay a complaint to the local Magistrates Court. Once the application has been listed by the Court for a hearing date and a summons issued, the summons will be served personally on the travellers / gypsies, again by the Traveller Team (or process server) in the presence of a Police Officer (where appropriate). A certificate of service must be obtained.

Shortly prior to the court hearing, the Solicitor to the Council will seek confirmation of instructions from the Lead Officer of the client department, to confirm that the travellers are still present and there has been no known change in their circumstances. The Solicitor to the Council, or another legal Officer, will then attend Court and apply for an Order for the travellers' eviction, which will empower the Councils to enter the land and remove the vehicles or property. If successful, the Order will be served personally on the travellers the same day.

The eviction will usually take place on the day following the court hearing. The eviction will be co-ordinated by the Traveller Team. No eviction should take place without a Police presence to prevent a breach of the peace.

3.2 Application for possession of the land

Alternatively the Council may bring civil proceedings for possession of the land.

If a possession application is sought, the Traveller Team (or process server) will serve a notice to leave on the travellers / gypsies, which provides them with 24 hours to leave the area. If they fail to do so, the Solicitor to the Council will issue a claim for possession in the local County Court; having drafted a claim form, particulars and witness statements and exhibits. The issued documents will be served personally on the travellers / gypsies. The Solicitor to the Council, or another legal officer, will then attend court and seek an Order for possession of the land forthwith. If successful, the Order will be served personally on the travellers on the same day.

If the travellers fail to leave the land, the Council's legal officers will apply to the Court for a warrant for their eviction. Such an eviction will be carried out by the Court Bailiff.

Should the same, or another group of travellers with sufficient nexus to the evicted group, return to the land within a six year period from the date of the Possession Order, Legal Officers will attempt to obtain a warrant for their eviction from the Court. If such a warrant is obtained, the eviction would be carried out by the Court Bailiff.

3.3 Seizure of Goods

If goods are seized at an eviction, a notice should be left in accordance with s.41 Local Government (Miscellaneous Provisions) Act 1972. The goods should be stored for a minimum of 3 months (and 6 months where it is not possible to serve a notice on the owner of the property). An inventory should be prepared and retained by the client department and photographs taken of any goods seized. The Council retains discretion in accordance with the legislation to sell or otherwise dispose of the property.

4. COMMUNICATION

The Lead Officer from the Client Department will be responsible for communication with the public throughout this process. However, the Contact Centre, the Councils' website and social media should be used to field the majority of calls. Each day

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throughout the process, information will be provided by the Traveller Team to the Councils' Legal Officers. Updates will be provided to the Contact Centre. Any calls that cannot be dealt with using this procedure will be directed to the Client Department.

The Councils' Legal Officers will be responsible for communication with internal departments, Police, neighbouring authorities, Officers and Members throughout the process. The Legal Section will keep the Lead Officer, Client Department and Members informed throughout the process on at least a daily basis.

**Adur District Council and Worthing
Borough Council**

**STANDARD OPERATING
PROCEDURES FOR
UNAUTHORISED ENCAMPMENTS**

Version: 4

Date: 22 July 2014

1.0	Introduction
1.1	The Standard Operating Procedures (hereafter referred to as “procedures”) for dealing with Unauthorised Encampments (UE) should be read in conjunction with the Councils Enforcement Procedure for Unauthorised Traveller Encampments and the Multi-Agency Enforcement Protocol.
1.2	The purpose of these procedures is to provide Staff, Members and members of the public with an understanding of the actions that will be taken in the event of UE’s, including the limits of the powers and options available to the Councils.
1.3	This version of the procedures is not restricted because it does not include the names and contact details of Officers. A separate version of the procedures will be produced for internal use with this information.
2.0	Adur and Worthing Gypsy and Traveller Strategic Group & Multi-Agency Group
2.1	An Adur and Worthing Gypsy and Traveller Strategic Group comprising Cabinet Members and senior officers from the Councils and Police was formed in 2012. Details of the membership; roles and responsibilities of the group; and frequency of meetings are set out in the Terms of Reference of the Group.
2.2	A Multi-Agency approach is being worked towards with West Sussex County Council leading. Currently this is being implemented piecemeal, however it is anticipated that this will be implemented in full when the temporary transit site at Chichester is up and running.
3.0	Unauthorised Encampments: Preventative Measures
3.1	The pattern of UE’s has shown that the Councils experience UE’s during the Summer months – June, July and August in particular.
3.2	The Communications Plan includes: A reminder to key staff of the content of the Standard Operational Procedures, highlighting any updates the Strategic Group has made to the Procedures in light of there review meetings; The promotion of West Sussex County Council’s Trading Standards Service to discourage “cold calling” and “doorstep callers”; and to promote the use of services such as Trading Standards approved trader list “Buy With Confidence” among our communities in Adur and Worthing;
3.3	There are a number of Council Sections who are most likely to be involved in dealing with UE’s. Each of these sections will have a nominated officer(s) who will act as the Council Lead Officer for dealing

	<p>with UE's. This will usually be the Manager of the relevant section:</p> <p><u>Parks and Foreshore:</u></p> <p><u>Leisure:</u></p> <p><u>Estates:</u></p> <p><u>Car Parks:</u></p> <p><u>Adur Homes:</u></p> <p>Managers from these services will ensure that checks are undertaken on the condition of the security measures e.g. locks and barriers on a regular basis.</p> <p>The Community Safety Manager shall carry out the role of the Director for Communities, as set out in this document, in his absence or upon his delegation.</p>
3.4	<p>On receipt of reports of traveller communities in the vicinity of Adur and Worthing the Council Lead Officers listed in 3.3 will arrange for increased monitoring of sites and site security.</p>
3.5	<p>Evidence of sites being scouted or existing security being tampered with should act as a warning sign of site vulnerability and trigger an immediate response in terms of target hardening and potential for patrolling.</p> <p>In terms of physical security, priority should be placed on ensuring that where locks / gates / barriers are in place at main entrances they are operational and effective. Where feasible the Council will consider any additional security measures that can be put in place at main entrances.</p> <p>Council Lead Officers will notify the Solicitor to the Council and Director for Communities of any evidence of sites being scouted and/or site security being tampered with.</p>
3.6	<p>The Councils can engage additional security / patrolling services through the Business Services Manager. It is important that the role of security / patrolling is understood. The aim is to:</p> <ul style="list-style-type: none"> • Provide information and intelligence as to evidence of Council sites being "scouted" in advance of a possible UE's: e.g. tampered locks, barriers loosened / removed. • Act as a potential deterrent to UE's. • Act as a witness to any unlawful activity arising from an UE that can be reported to the Councils and Police (e.g. criminal damage). • Provide a level of reassurance to the public. <p>It is not the role of patrolling services engaged by the Council to intercept vehicles engaged in UE's or to block entrances to Council land.</p>

3.7	While the Councils can take reduce the risk of UE's through vigilance, deterrence and practical security measures, it cannot guarantee the security of all of its sites all of the time. The nature of parks and recreational spaces are that they often have substantial perimeters that cannot be easily defended from a determined incursion: particularly where there is a willingness to commit criminal damage to access a site.
4.0	Dealing with Unauthorised Encampments
4.1	The enforcement procedures for dealing with UE's are set out in detail in the Councils "Enforcement Procedure for Dealing with Unauthorised Traveller Encampments" and the Multi-Agency Enforcement Protocol. Details of those procedures are not repeated here, other than to emphasise: <ul style="list-style-type: none"> • the co-ordinating role taken by the Councils Legal Officers; • the role of the Councils Lead Officer • the initial assessment visits • the importance of the communications arrangements set out in the procedure.
4.2	The procedures set out in 4.0 – 7.0 apply in all UE circumstances, i.e. a UE that is not tolerated, and a UE that is tolerated.
4.3	The client department will be asked to carry out a brief site visit simply to confirm the presence of an unauthorised encampment. The Lead Officer from the client department, together with a colleague, should attend the site to establish the precise location of the encampment, its size and other information needed to confirm land ownership. No Officer should attend alone. If appropriate, photographs can be taken at this stage. Legal Services will notify West Sussex County Council (Traveller Team).
4.4	Where events are planned on that land that are due to take place during the period the encampment may be present, the Council's Lead Officer will advise the Director for Communities of the events scheduled. The Director for Communities will consult with the Cabinet Member for Health and Wellbeing (or in their absence the Leader of the Council) before deciding on what action should be taken regarding the events. That decision shall be communicated to the Police. In order to minimise the adverse impact of an unauthorised encampment on the community, the norm will be that the Council would expect the events to go ahead as planned.
4.5	Once a UE is in place and is likely to remain the Traveller Team and Police will agree a specific communications plan for the community affected by the UE. The Police will identify a Police Lead Officer for the UE.

	<p>The communications plan will be agreed by the Chief Inspector and the Traveller Team.</p> <p>A Street Briefing will be organised by Sussex Police within 24 hours of the UE. The intention of the Street Briefing will be to:</p> <ul style="list-style-type: none"> • Communicate accurate information on the current position regarding the encampment • Provide accurate information on the role of the Police Gypsy & Traveller Liaison Officer (GTLO) and joint working with the Councils Officer's around site visits, assessments etc • Reinforce the joint communications strategy drawn up between the Councils and Police • Accurate explanation of the powers and legal process that will be followed • Provide point of contact for any matters requiring police attention and point of contact for any matters that the councils need to respond to <p>The Street Briefing will be attended by:</p> <ul style="list-style-type: none"> • Appropriate officer from Adur & Worthing Council (usually the Council Lead Officer or his/her representative) • An appropriate officer from the police subject to size, location and impact locally. This could be a PCSO or in some cases the Neighbourhood Policing Sergeant. • A member of the Traveller Team. <p>The Leaders, Cabinet Members for Health and Wellbeing and Ward Members will be notified of the Street Briefing.</p>
<p>4.6</p>	<p>The Council's Communication Officer will update the website and social media on a regular basis (usually daily) to inform members of the public on the action it is taking. The Council's Contact Centre will refer callers to the Council's website for the most up to date information and advice regarding Gypsy and Travellers and UE's.</p> <p>The Council's website will provide regular updates on the action being taken to deal with UE's; general information on Gypsy and Travellers; a link to Sussex Police's website page on Gypsy and Travellers.</p>
<p>4.7</p>	<p>A decision on whether to provide facilities at an encampment (e.g. skips &/or receptacles for rubbish, toilets, water supply) will be made by the Council Lead Officer following consultation with the Traveller Team, Director for Communities, Solicitor to the Council, Police Lead Officer the Leader and/or the Cabinet Member for Health and Wellbeing.</p> <p>Guidance on the provision of welfare facilities has been produced by the</p>

	<p>Home Office.</p> <p>A decision on the provision of welfare facilities will be made on a case by case basis, with a record made of the decision taken and the reasons for it. The Client Lead Officer will submit the record of the decision to the Solicitor to the Council to ensure a full audit trail of decisions taken is maintained by the Councils Legal Team.</p> <p>Where a decision is made to provide welfare facilities the Council Lead Officer to ensure facilities are put in place and are managed.</p> <p>In some cases the provision of welfare facilities may involve making access available to facilities on site; in others it will involve hiring facilities and bringing them on site for the duration of the UE.</p>
<p>4.8</p>	<p>Site Management needs to take place on daily basis to mitigate any adverse impacts arising from the UE and to provide reassurance to the public that site management is taking place.</p> <p>A site visit will be conducted by the Councils Lead Officer, Traveller Team (if applicable) and the Police Lead Officer. The GTLO will also usually attend site visits.</p> <p>The Council and Police Lead Officers and GTLO will undertake a site inspection having regard to any activity that might be unlawful or anti-social e.g. fly tipping; illegal/rogue trading; noise; anti-social behaviour; damage to property. The Council Lead Officer or Traveller Team will report to the Police any incidents of criminal damage that enabled the UE to occur. The Council Lead Officer or Traveller Team will also monitor the use of any facilities that have been provided by the Councils to ensure their proper use.</p> <p>A daily report will be completed and submitted to the Solicitor to the Council, Director for Communities, Traveller Team and Chief Inspector.</p> <p>In the event of any unlawful or anti-social behaviour being observed, the Council, Traveller Team and Police will gather intelligence and consider the action that needs to take place. The Traveller Team will arrange a multi-agency meeting that will involve the Council and Police Lead Officers, GTLO, Solicitor to the Council, Duty Police Inspector, Director for Communities, Traveller Team and if necessary a representative from a specialist service who may need to provide advice and/or take enforcement action e.g. Trading Standards, Environmental Health.</p>
<p>4.9</p>	<p>The Councils have the right to exercise the option of deploying surveillance resources should it be sufficiently concerned and satisfied that there is evidence of unlawful activity and that the use of surveillance is a proportionate response. Evidence gathered through surveillance may be used in any subsequent criminal and/or civil enforcement action.</p>

APPENDIX 3

4.10	Once enforcement action has been commenced Travellers may begin to scout for potential new sites to relocate to. For this reason pro-active steps to secure other local sites is essential as is vigilance in identifying where scouts may be visiting and or evidence of tampering with security at other sites (see 3.0).
4.11	<p>A final site visit should be made by the Council and Police Lead Officers and the GTLO on the day of departure from the site. The visit will assess:</p> <ul style="list-style-type: none"> • damage to the site; • repairs necessary to secure the site; • repairs necessary to permanent site facilities; • evidence of unlawful activity; • clean up measures necessary; • arrange the removal of temporary welfare facilities (if applicable). <p>On the basis of the final site visit, the Council and Police Lead Officers will take necessary actions and will liaise with the Chief Inspector, Solicitor to the Council and the Director for Communities if any issues relating to unlawful activity are identified.</p>
4.12	Clean up operations and the repair to site security will take place immediately on obtaining possession of a site. The Council Lead Officer will estimate how long this will take and provide a communications update so that members of the community can be advised.
5.0	Out of Hours
5.1	Travellers will frequently scout and commence a new UE's at times outside of the Councils normal operating hours i.e. evenings / weekends, anticipating that this is more likely to lead to a slower response and a successful UE taking place.
5.2	All aspects of the Councils Out of Hours Services will be subject to a Service Review. Currently there are two principle means of contacting the Councils; Adur DC Duty Supervisor Service Worthing Out of Hours Superintendants service
5.3	<p>With immediate effect the following guidance is in place for Out of Hours Services at Adur and Worthing:</p> <p>Unlawful Occupation by Travellers</p> <p>If you are advised that Gypsy and Travellers are occupying council land, firstly determine what land they are on and then contact the following:</p> <p><u>Parks and Foreshore:</u></p> <p><u>Leisure:</u></p>

	<p><u>Estates:</u></p> <p><u>Car Parks:</u></p> <p><u>Adur Homes:</u></p> <p>Director for Communities: In the absence of Director for Communities please contact the Chief Executive.</p> <p>No action can be taken regarding travellers on WSCC and private land by the Councils.</p>
5.4	The Councils Lead Officer and/or the Director for Communities should contact the Business Services Manager, to deploy patrolling services.
5.5	<p>The Solicitor to the Council and Traveller Team must be notified of the UE by the Councils Lead Officer and/or the Director for Communities at the start of the first working day following the UE.</p> <p>The Solicitor to the Council will then trigger the Councils Enforcement Procedure for Unauthorised Traveller Encampments and Multi-Agency Enforcement Protocol, and the actions set out in 4.0 will commence.</p>
6.0	Costs
6.1	<p>Following the UE the Traveller Team will invoice the Councils. The Councils Lead Officer will report on the costs incurred by the section dealing with the UE to their Head of Service and the Director for Communities.</p> <p>The Solicitor to the Council will report separately on the legal costs associated with the UE to the Director for Communities.</p> <p>The Director for Communities will report the costs of UE to the Strategic Group.</p>
7.0	Challenging Unacceptable Behaviour and Racist Incidents
7.1	Gypsies and Travellers are a recognised ethnic minority group and Equalities legislation is applicable and their Human Rights must be taken into consideration.
7.2	<p>When the public become aware of reports of Gypsy and Traveller movements and/or UE's the Councils will receive comments and expressions of opinion about the Gypsy and Traveller communities. Occasionally these opinions may be perceived to be offensive or racist.</p> <p>The Councils Contact Centre staff will be provided with a script to deal with such calls, including guidance on the termination of calls.</p>

	<p>The Councils work in partnership to encourage the reporting of hate crime. Anyone, including members of staff, who witness a hate incident, can report it using an online reporting form. Guidance on reporting hate crimes is set out on the County Councils Website at:</p> <p>http://www.westsussex.gov.uk/living/being_safe_and_secure/personal_safety/hate_crime/hate_crime_incidents.aspx</p>
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Document Version Control		
Officer Responsible for updates to Procedure: Strategic Director (JM)		
Version	Date	Agreed by:
1	5/9/12	Adur and Worthing Gypsy & Traveller Strategic Group
2	27/9/12	Adur and Worthing Joint Strategic Committee
3	18/8/13	<i>Change of staffing arrangements in Parks – SOP amended & approved by Adur and Worthing Gypsy & Traveller Strategic Group in September 2013</i>
4	22/7/14	

Events Co-ordinator Post

Report by the Director for the Economy

1.0 Summary

- 1.1 This report informs Members on the current organisation and co-ordination of events and recommends that a new Events Co-Ordinator Post is created. The new post will assist in extending the events programme in the area, with the direct impact of increasing the number of visitors and thereby a positive impact on the local economy.

2.0 Background

- 2.1 A key priority for both Councils is to promote and support the local economy. A varied events programme within the area plays a key part in not only attracting visitors but in also improving its image and branding. In 2012 a specific budget was established to promote new events across Worthing and Adur. This is administered by the Regeneration Team, who also offers assistance to the organisers on event planning and publicity. Over the past few years this has resulted in the support for a wide range of events. In 2013 six events were supported in Adur, with nine across Worthing: this included the Flock to Worthing event, Lancing's Sea of Lights and the Military History Day at Shoreham Fort. In 2014 five events were supported in Adur with eight events in Worthing; this included the Tide of Lights, Worthing Community Play, Shoreham Riverfest and World Oceans Day.
- 2.2 Although the current resources have resulted in an expanded events programme, there is not a single point of contact for organisers within the Councils. Where organisers are not seeking funding, they can be sign posted to several different Council departments – primarily Parks and Foreshore where the event is to be held on Council property. For organisers of smaller scale events, this can be a difficult process.
- 2.3 The importance of a varied and quality events programme to the local economy should not be underestimated. For the Councils to further increase this programme requires dedicated resources to enable a clear point of contact for event's organisers and ensure there is a co-ordinated approach within the Councils.
- 2.4 At its meeting on the 7th January 2014 the Committee agreed in principle to create a budget for a new Co-ordinator post. However, a further report was requested to understand the precise nature of the role and the likely salary.

3.0 Proposals

- 3.1 It is proposed that a new full time Events Co-ordinator post be created. The post would be the main point of contact for external and internal organisers of events. This would enable an overview of the events being planned, both those on council land and elsewhere in the area. The post would then have the responsibility of ensuring that the relevant sections were informed of the proposed events and be in a position to advise the organisers of the necessary consents and permissions needed. The Events Co-ordinator would also be able to provide advice and guidance on putting on the event, taking the organiser through the process. This is of particular importance to those groups and individuals who are putting on an event for the first time and for whom the application process can prove daunting. The Events Co-ordinator would also ensure that the organisers were supported in the marketing and publicity of the event through using existing resources within the Regeneration team.
- 3.2 The post would also be a corporate resource for other sections within the Councils looking to put on events and would ensure that there is a more co-ordinated approach. This would enable a more proactive approach, taking opportunities for the promotion of the area e.g. the Rugby World Cup is being held in England next year, with several matches taking place at the Amex Stadium. There are clear opportunities to work with the local rugby clubs in promoting activities and events in the lead up to the competition.
- 3.3 The new post would also be in a position to further publicise the availability of funding to support events. This would also allow for a more proactive approach in stimulating ideas for new events. The post would be able to liaise with the external funding officer to ensure that groups and individuals were aware of the range of funding available and how they can make the events more sustainable.
- 3.3 It is proposed that the post would be a full time position with a salary range of £27,323 to £34,894. This would be subject to the necessary job evaluation if not completed prior to any appointment. If approved, further consideration would be given to where the new post was positioned in the new structure.

4.0 Legal

- 4.1 Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by other legislation.
- 4.2 The Council has powers under section 112 of the Local Government Act 1972 to appoint Officers as they think necessary for the proper discharge of its functions or another authorities function as fall to be discharged by the Council and to appoint on such reasonable terms and conditions as the Council thinks fit.

5.0 Financial Implications

- 5.1 Members approved a budget for this post of at a cost of £43,400 as part of the 2014/15 budget round. The funding for the post was to be released once the JSC

had received a report outlining the remit of the role and confirming the salary level. The report fulfils that requirement.

6.0 Recommendation

- 6.1 It is recommended that Members approve the release of funding to enable the recruitment of an Event Co-Ordinator.

Local Government Act 1972

Background Papers:

None.

Contact Officer:

Clare Mangan
Regeneration Manager
Ext: 63066

Schedule of Other Matters

1.0 Council Priority

1.1 Supporting and Improving the Local Economy

2.0 Specific Action Plans

2.1 None

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 None

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 Not applicable

12.0 Partnership Working

12.1 Working in partnership across the Borough and District.

Localising Support for Council Tax in England

Report by the Director for Customer Services

1.0 SUMMARY

- 1.1 From 31 March 2013 the national Council Tax Benefit scheme was abolished and each Council was required to determine its own local Council Tax Support scheme. There are statutory protections for all pensioners and refugees, so local schemes only apply to “working age” customers.
- 1.2 The introduction of local schemes was accompanied by a reduction of a little under 10% in the amount of subsidy paid to local authorities. Overall the net cost of introducing the scheme in 2013/14 was as follows:

	2013/14 estimated cost of CTS	Council share of overall cost	Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	5,370.10	924.60	-850.00	74.60	8.07%
Worthing	7,417.00	1,056.50	-947.00	109.50	10.36%

- 1.3 Almost exactly half the Council Tax Support caseloads for both Adur and Worthing relate to pensioners. Therefore to reduce the overall cost of benefits paid by an equivalent amount there would need to be a potential reduction in awards for working age customers of around 20%.
- 1.4 In respect of 2013/14, Members determined that the localised schemes for both Adur and Worthing should replicate the previous national scheme and that the Councils would fund the reduction in subsidy received by utilising the new Council Tax Freedoms. Following a report that was considered by the Joint Strategic Committee on 4th July 2013 the Councils accepted the Committee’s recommendation that the localised scheme should remain unchanged for 2014/15.
- 1.5 Where the scheme for the forthcoming financial year is varied from the previous year’s scheme the Councils are obliged to consult with residents. Although no changes were implemented in respect of 2014/15, Members nevertheless requested that questions relating to the 2015/16 Council Tax Support scheme were included within the “Your Chance To Be Chancellor” consultation that was undertaken during the summer of 2013.

1.0 SUMMARY

- 1.6 This report asks members to consider whether the localised scheme should be changed or remain unchanged for 2015/16.

2.0 BACKGROUND

- 2.1 The Councils have previously been approached by Arun District Council, Chichester District Council and Horsham District Council to consider working together to develop a new scheme for all five Councils that would have the advantage of reducing scheme development costs. Meetings (facilitated by an independent consultant, David Airey) were held during May and June 2013 with the eventual outcome that a common framework was developed which could be tailored to individual Council needs. The final schemes of Arun, Chichester, Adur and Worthing were similar, however Horsham decided to restrict awards of Council Tax Support to working age customers.
- 2.2 The consequence of reducing Council Tax Support awards is that individual customers will be asked to pay some (or more) Council Tax compared to previous years. Where customers do not make the payments requested, additional pressure will be placed on the Revenues & Recovery Teams to recover the sums outstanding and it is likely that in-year collection rates will deteriorate. Additionally, more residents are likely to seek advice from organisations such as Citizens Advice as reported in a recent study by the Institute of Fiscal Studies:

“Introducing minimum payments has increased the number of people seeking advice about council tax debt. It remains to be seen how successfully the local authorities concerned manage to collect the council tax that they have asked for.”

Stuart Adam, a Senior Research Economist at IFS

- 2.3 In addition, the Joseph Rowntree foundation reported that:

- In 2014/15 2.34 million low-income families will pay on average £149 more in council tax per year than they would have under CTB. Around 70,000 families will have their support cut for the first time and a further 580,000 families will see a second successive change in their entitlement.
- Of the 2.34 million affected families, 1.5 million were in poverty (measured after housing costs) and 1.8 million were workless families. The uniform exemption from paying council tax for low-income households no longer exists.
- Levels of arrears and bailiff referrals linked to the non-payment of council tax increased following the introduction of CTS while the collection rate fell. This is true across England, but the largest increases in arrears were in those areas that introduced a minimum payment.

2.0 BACKGROUND

- 2.4 Consequently, whilst reducing the amount of Council Tax support paid would reduce the financial burden on the Councils, there may be additional costs in terms of write-offs and debt recovery. In addition, there is a concern that the Council may see an increase in demand for services in other areas as a result of increasing poverty.

3.0 FINANCIAL CONSIDERATIONS

- 3.1 Overall, the cost of Council Tax Support in 2013/14 when the scheme was implemented was estimated to be:

	District/ Borough Share	Parish Council	County Council	Police and Crime Commissioner	Total
	£'000	£'000	£'000	£'000	£'000
Adur	924.6	61.8	3,917.1	466.6	5,370.1
Worthing	1,056.5	0	5,683.5	677.0	7,417.0

- 3.2 Against this cost the Councils received an increase in government funding of £850,000 for Adur District Council and £947,000 for Worthing Borough Council which in both cases was less than the cost of benefits (Adur 8.3% and Worthing 10.4%).
- 3.3 To fund the cost in 2013/14, both Councils introduced changes to Council Tax discounts using the new Council Tax Freedoms and embarked on a Single Person Council Tax Discount review.
- 3.4 For 2014/15, the links between the cost of the support and grant were broken with the grant for the cost of Council Tax Support being consolidated into the new funding system. Overall funding was reduced to both Councils by around 13% in 2014/15 and consequently the net cost to the Council increased, this is despite a reduction in the cost of Council Tax Support itself.

	2014/15 estimated cost of CTS	Council share of overall cost	Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	5,087.10	874.30	-735.80	138.50	15.84%
Worthing	7,324.20	1,041.40	-820.40	221.00	21.22%

3.0 FINANCIAL CONSIDERATIONS

- 3.5 The Councils will receive supplementary grant in the current year of £67,350 for Adur District Council and £79,640 for Worthing Borough Council for any costs associated with Council Tax Support Scheme which will be used to fund any scheme development costs and associated system development costs.
- 3.6 Members should be aware that only 'restricting the liability' to 10% or 20% will make a significant impact on cost of Council Tax Support as shown in Appendix 1. This would have the impact of ensuring that every claimant pays at least 10 or 20% of the bill.

4.0 POTENTIAL RESTRICTIONS

- 4.1 Broadly, changes to the support scheme can be adopted such that entitlement is tailored for specific claimant groups or applies more broadly in a way that results in most customers being required to pay some (or more) Council Tax.
- 4.2 Nationally, common changes that have been introduced from 1 April 2013 in respect of localised Council Tax Support schemes include:
- Reducing the Council Tax liability that is used in the calculation (e.g. a restriction to the Council Tax Band D charge)
 - Reducing (by either a percentage or a fixed sum) the weekly award
 - Introducing minimum weekly awards (typically £1 or £5)
 - Reducing the capital limit above which no assistance is provided (currently £16,000)
 - Including certain types of income in the calculation (e.g. Child Benefit, Child Maintenance or Disability Living Allowance)
 - Amending the way in which self-employed earnings are calculated, including the introduction of an assumed minimum income linked to the National Minimum Wage
 - Removing Second Adult Rebate
 - Increasing the level of non-dependant deductions
 - Adding the income of non-dependants to the claimant's income
 - Increasing the taper applied to excess income (which is currently 20% to between 25% and 35%)

4.0 POTENTIAL RESTRICTIONS

- Removing or increasing the period for which Extended Payments are awarded
- Reducing or removing earned income disregards
- Introducing a residency test whereby claimants must have been resident in the district/borough for a period before being able to claim (typically, a period of two years but in at least once case five years)
- Identifying specific vulnerable groups of claimants

Some of these are discussed in more detail below.

- 4.3 Whilst differing policies continue to emerge across the country, Councils are sharing knowledge and ideas on how to develop the new scheme. At the working party meeting held on 15 May 2013 it was recommended that a county-wide framework should be adopted whereby participating local authorities agree the elements that can be amended whilst each Council retains the ability to determine which of the parameters are changed and the extent of the change in respect of its residents. The advantage to this approach is that the Councils can share the administrative cost of setting up local schemes whilst retaining the ability to tailor the scheme to reflect local priorities.
- 4.4 Modelling applied to the current live Council Tax Support caseloads in respect of working age customers indicate that the financial savings detailed in appendix 1 could be achieved by applying certain restrictions.
- 4.5 Members are asked to consider whether they wish to make any changes to the 2015/16 Council Tax Support Scheme. The Councils can make different policy decisions; consequently the question will be asked separately for each Council.
- 4.6 If a change to the scheme is desired, then in scheme design terms it would be useful if Members would indicated the overall reduction in costs required. It should be appreciated that, due to the level of protection given to pensioners who are approximately 50% of all claimants, the impact felt by working-age claimants will be double that of the overall reduction. For example, a 10% overall reduction in costs will be a 20% reduction for individual working age claimants. To help inform this discussion the outcome of the consultation held last year is attached at Appendix 2.
- 4.7 If Members wish to make a change to the level of support offered, they will be asked to consider in broad policy terms which changes they would like to adopt. These are the options which will generate most of the desired level of savings. The options are:
- i) All residents pay something. This can be achieved by limiting the overall liability by, say, 10% or 20%; or

4.0 POTENTIAL RESTRICTIONS

- ii) Most residents pay something except those in lower cost housing. This can be achieved through restricting the liability to a Band C which is the most common banding for Adur and Worthing

4.8 There are also some other minor changes that officers believe could be included within any potential consultation. These changes will not produce any significant saving but may be worth considering for operational or other reasons. These are as follows:

- i) **Capital Limit review:**
Amend the maximum savings above which there is no entitlement to assistance. Currently, customers with less than £16,000 of savings and investments are potentially entitled to Council Tax Support (subject to an assessment of their other circumstances). This limit could be reduced.
- ii) **Removal of the disregard for child benefit:**
Council Tax Support is “means tested” whereby as a claimant’s income increases their entitlement to assistance reduces. Child Benefit is not currently included as a source of income when assessing entitlement to support (resulting in a higher level of assistance being awarded than if the income was included). The income disregard could be removed.
- iii) **Removal of the disregard for child maintenance:**
In most cases, maintenance received in respect of children is fully disregarded. The income disregard could be removed.
- iv) **Second Adult Rebate:**
Customers can claim assistance to offset the loss of a 25% Single Person Discount on the basis that the second adult who is resident in the property is on a low income and can therefore not afford to contribute towards Council Tax payments. For this purpose, a second adult is typically an adult son/daughter or an elderly parent (the claimant’s partner and boarders/lodgers/sub-tenants are not treated as second adults). Awards of 25%, 15% or 7½% of the Council Tax liability are calculated based on the second adult’s income. This assistance could be removed.

However, Members should be aware that if any of the first three changes are implemented there will be an inconsistency of the treatment of income/capital for those customers claiming both Council Tax Support and Housing Benefit.

4.9 Finally, during the workshop, it emerged that a couple of Councils have instituted a ‘residency test’ based on whether someone has been on the electoral register, paid Council Tax, or been in full time education for a period of time before being eligible for any Council Tax Support. This was introduced because these Councils believed that residents should have contributed to the area in which they live before being able to “take something out”. Members should be aware that it is difficult to estimate the value of the financial savings that would be achieved by implementing this change because it is dependent upon the individual circumstances of customers submitting new claims.

5.0 POTENTIAL PROTECTIONS:

- 5.1 During the first two years of the local schemes the Councils consulted on whether the previous protection offered to war widows and widowers should continue. This received considerable public support. Members will therefore be requested to indicate whether this protection should continue.
- 5.2 Members could also opt to protect other groups from change; for example disabled claimants. However, given the number of legal challenges currently being pursued it is recommended that all working-age claimants be treated the same (e.g. by reducing the Council Tax liability that is used in the Council Tax Support calculation).

6.0 PUBLIC CONSULTATION

- 6.1 Public consultations in respect of the 2013/14 and 2014/15 schemes were conducted by way of a questionnaire delivered to every household in Adur and Worthing, and an online questionnaire placed on the Councils' websites. In 2014/15, the consultation asked questions to help inform the development of the 2015/16 scheme. These are detailed at appendix 2.
- 6.2 If changes are to be considered a similar consultation will need to be conducted in respect of the 2015/16 schemes. It is anticipated that this will be undertaken during the summer/autumn of 2014.

7.0 LEGAL

- 7.1 In respect of 2013/14 and 2014/15, the Councils adopted an amended "default" Council Tax Reduction Scheme in accordance with The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, Statutory Instrument 2012 No. 2886 and The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Statutory Instrument 2012 No. 2885.

8.0 RECOMMENDATIONS

- 8.1 The Joint Strategic Committee is asked to:
- 8.1.1 Consider whether the 2015/16 scheme should be subject to any change for:
- i) Adur District Council
 - ii) Worthing Borough Council
- 8.1.2 If changes to the scheme are desired, consider which of the options detailed at paragraph 4.7 would be preferred.
- 8.1.3 Agree that residents should be consulted about the options over the Summer.

- 8.1.4 Agree which, if any, of the restrictions detailed in paragraph 4.8 should be included in the budget consultations.
- 8.1.5 Agree that war widows and widowers should continue to receive the same level of protection as they do at present.

Background Papers:

Welfare Reform Act 2012

Department for Communities and Local Government Statement of Intent

Local Government Finance Bill 2012

Minutes of the meetings of the Joint Strategic Committee of Adur District and Worthing Borough Councils held on 26 July 2012 and 28 November 2012

Council Tax Support Schemes in England: What Did Local Authorities Choose, and with What Effects? – IFS report R90

How have low-income families been affected by changes to council tax support? – Report by the Joseph Rowntree Foundation

Contact Officer:

Sarah Gobey

Chief Financial Officer

Town Hall, Chapel Road, Worthing

01903 221221

sarah.gobey@adur-worthing.gov.uk

SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

- 1.1 By undertaking a public consultation about the proposed changes, the Councils will be listening to and engaging with our communities.

2.0 SPECIFIC ACTION PLANS

- 2.1 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 Matter considered and no issues identified.

9.0 RISK ASSESSMENT

- 9.1 There is a statutory duty on the Councils to do what is proposed and not doing it would carry severe financial and reputational risks.

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 Matter considered and no issues identified.

POTENTIAL FINANCIAL SAVINGS THAT COULD BE ACHIEVED BY APPLYING CERTAIN RESTRICTIONS

ADUR DISTRICT COUNCIL AREA

	Adur District Council £	West Sussex County Council £	Sussex Police and Crime Commissioner £	Parish Councils £	Total £
Restricting the liability to Council Tax Band C	10,200	43,173	5,143	584	59,100
Restricting the liability to Council Tax Band D	8,871	37,549	4,473	508	51,400
Restricting the liability to Council Tax Band E	8,439	35,722	4,255	483	48,900
Restricting the liability by 10%	52,259	221,200	26,351	2,991	302,800
Restricting the liability by 20%	103,620	438,602	52,249	5,930	600,400
Reducing the capital limit to £10,000	2,223	9,424	1,123	127	12,900
Reducing the capital limit to £6,000	5,074	21,477	2,558	290	29,400
Taking Child Benefit into account as income in full	30,737	130,105	15,499	1,759	178,100
Taking child maintenance into account as income in full	5,074	21,477	2,558	290	29,400
Removing Second Adult Rebate	1,605	6,794	809	92	9,300

POTENTIAL FINANCIAL SAVINGS THAT COULD BE ACHIEVED BY APPLYING CERTAIN RESTRICTIONS

WORTHING BOROUGH COUNCIL AREA

	Worthing Borough Council £	West Sussex County Council £	Sussex Police and Crime Commissioner £	Parish Councils £	Total £
Restricting the liability to Council Tax Band C	11,581	62,299	7,421	Not applicable	81,300
Restricting the liability to Council Tax Band D	5,071	27,280	3,249	Not applicable	35,600
Restricting the liability to Council Tax Band E	1,140	6,130	730	Not applicable	8,000
Restricting the liability by 10%	61,735	332,106	39,559	Not applicable	433,400
Restricting the liability by 20%	122,102	656,855	78,242	Not applicable	857,200
Reducing the capital limit to £10,000	3,433	18,467	2,200	Not applicable	24,100
Reducing the capital limit to £6,000	9,330	50,191	5,979	Not applicable	65,500
Taking Child Benefit into account as income in full	35,824	192,719	22,956	Not applicable	251,500
Taking child maintenance into account as income in full	5,897	31,724	3,779	Not applicable	41,400
Removing Second Adult Rebate	1,638	8,812	1,050	Not applicable	11,500

**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:

Adur District Council	738
Worthing Borough Council	1,307

2. Do you currently claim Council Tax Benefit?

	Adur		Worthing	
Yes	79	(10.7%)	126	(9.6%)
No	659	(89.3%)	1,181	(90.4%)

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?

	Adur		Worthing	
Strongly Agree	330	(44.7%)	615	(47.1%)
Agree	298	(40.4%)	490	(37.5%)
Disagree	64	(8.7%)	128	(9.8%)
Strongly Disagree	46	(6.2%)	74	(5.7%)

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?

	Adur		Worthing	
Nothing	111	(15.0%)	184	(14.1%)
At least £2.50 per week	196	(26.6%)	391	(29.9%)
At least £5.00 per week	257	(34.8%)	449	(34.4%)
More than £5.00 per week	174	(23.6%)	284	(21.7%)

**YOUR CHANCE TO BE THE CHANCELLOR –
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

IDEA 2

5. Working age claimants living in larger properties should pay proportionately more than claimants living in smaller properties?

	Adur		Worthing	
Strongly Agree		(35.9%)	486	(37.2%)
Agree	295	(40.0%)	538	(41.2%)
Disagree	115	(15.6%)	189	(14.5%)
Strongly Disagree	63	(8.5%)	94	(7.2%)

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 in Adur and £1,347.92 per year in Worthing)?

	Adur		Worthing	
More than Band C		(9.1%)	86	(6.6%)
Same as Band C	302	(40.9%)	645	(49.3%)
Less than Band C	369	(50%)	576	(44.1%)

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?

	Adur		Worthing	
Strongly Agree	346	(46.9%)	640	(49.0%)
Agree	287	(38.9%)	476	(36.4%)
Disagree	65	(8.8%)	124	(9.5%)
Strongly Disagree	40	(5.4%)	67	(5.1%)

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).

	Adur		Worthing	
Strongly Agree	136	(18.4%)	270	(20.7%)
Agree	224	(30.4%)	387	(29.6%)
Disagree	238	(32.2%)	371	(28.4%)
Strongly Disagree	140	(19.0%)	279	(21.3%)

**YOUR CHANCE TO BE THE CHANCELLOR –
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

IDEA 4

9. **What is the level of savings people can have and still be able to claim benefit?**

	Adur		Worthing	
None	126	(17.1%)	249	(19.1%)
£6,000	211	(28.6%)	333	(25.5%)
£10,000	184	(24.9%)	335	(25.6%)
More than £10,000	217	(29.4%)	390	(29.8%)

10. **If these ideas go ahead, what level of impact do you think this would have on your household?**

	Adur		Worthing	
High Impact	20	(2.7%)	52	(4.0%)
Medium Impact	81	(11.0%)	120	(9.2%)
Low Impact	145	(19.6%)	260	(19.9%)
No Impact	377	(51.1%)	688	(52.6%)
I don't know	115	(15.6%)	187	(14.3%)

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?**

	Adur		Worthing	
0 Years	145	(19.6%)	233	(17.8%)
2 Years	325	(44.0%)	614	(47.0%)
5 Years	268	(36.3%)	460	(36.3%)

Ward: All

Building Services Invest to Save Procurement of Vehicles

Report by the Director for Communities

1.0 Summary

- 1.1 This report requests approval for an Invest to Save scheme proposal for the procurement of 9 vehicles for Building Services. The proposal has been prepared in accordance with the capital strategy requirements and criteria for Invest to Save schemes. It is a capital proposal which is expected to comfortably produce revenue savings that exceed the cost of prudential borrowing by at least 10% over the life of the investment.
- 1.2.1 The proposal supports the increase of work being undertaken by the in-house Building Services team following the award of new contracts, and requires the employment of 8 additional staff and the procurement of 8 medium sized vehicle vans and 1 tipper vehicle.

2.0 Background

- 2.1 Building Services operates as a self contained trading unit within Adur District Council. It has been responsible for the day to day repairs and maintenance of the council's housing stock in the west of the Adur district and the void property repairs across the whole of the Adur district since 2007. In 2010 the service took on responsibility for lock changes and repairs to all entrance doors. In October 2012 it also became responsible for the repairs and maintenance of all glazing, PVC windows, doors and screens across Adur.

In the last 12 months Building Services has competitively tendered and won the following reactive repairs contracts:-

- a five year contract to carry out the reactive repairs to all Adur District Council and Worthing Borough Council corporate properties. The contract was subject to Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and three operatives were transferred to Adur District Council from the previous contractor.

- a five year contract to carry out the reactive repairs to the East side repairs for Adur Homes that will commence on September 1st 2014. The contract was subject to Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and three operatives were transferred to Adur District Council from the previous contractor.
 - Adur Homes has increased its budget for repairs and improvements to void works by £100,000.
- 2.2 These new contracts are based on a Schedule of Rates regime and are a significant expansion of the business. Logistically reactive repairs require a quick turnaround including an out of hour's service. Most of the staff are multi-skilled tradesmen, and each member of staff requires an allocated medium sized van.
- 2.3 Currently Building Services is working at full capacity yet it is failing to meet all its targets leading to a backlog of repairs. Measures have already been put in place to deal with these shortfalls. However, with a considerable amount of additional work planned for the immediate future there is a need to increase the workforce and team management to an appropriate optimum level to deliver a service that meets tenants' expectations and fulfils corporate obligations.
- 2.4 In summary the amount of work undertaken by Building Services has doubled in the last 18 months whilst staffing levels have only increased by less than 50%. At present the deficit is being absorbed to a degree by employing subcontract and agency labour, but these services are obtained at a premium and it is difficult to maintain consistency of contracted resources due to the reactive nature of the repairs service.

3.0 Proposals including financial implications

- 3.1 Appendix A shows last year's final revenue outturn for comparison. The Business Case has estimated a projected outturn assuming the new East side was in place for a full financial year.
- 3.2 The new contracts are effectively 'demand led' so the projected additional income cannot be guaranteed but represents a realistic, prudent estimate.
- 3.3 The additional income is expected to be £630,000 pa, and would increase the positive contribution/surplus from Building Services from £122,000 pa to £405,000 pa, after taking into account additional direct costs such as staff, supplies and running costs that are needed to deliver the work.

3.4 The staffing levels needed to deliver the proposals would change as follows:-

	Current	Proposed
Manager	1	1
Assistant Manager	1	1
Admin Assistant	1	1
Supervisor	0	1
Carpenter	1	2
Plumber	1	1
Electrician	1	1
Drainage	1	1
Multi-trade	9	15
Total	16	24

3.5 When the new staffing levels are fully bedded in Building Services is intending to recruit 2-4 apprentices. This will not require additional vehicles but in the longer term will help to speed up the turnaround time for each repair. The cost of employing apprentices is not included in the financial estimates reported in Para 3.3 above, or the option appraisal contained in Para 3.7 below, but would be expected to be met from the additional income generated.

3.6 For schemes to satisfy the council's Invest to Save criteria the additional net revenue raised from the proposals must exceed the cost of financing (usually prudential borrowing) the vehicle acquisitions by more than 10%.

3.7 Accordingly, a financial option appraisal was undertaken for all vehicles which considered a number of alternative funding options. The cash outlays for each option were further discounted to Net Present Values (NPV) to reflect the relative timing effects on the value of money, which is regarded as a more appropriate indicator of overall cost. The results are summarised below based on financing the capital cost over 5 years, being the minimum expected usage of the vehicles.

Vehicle Type	1 x 3.5 tonne flatbed tipper		8 x medium L2H1 panel vans		Total	
Purchase Price	£21,000		£96,000		£117,000	
	Cost including interest £	Discounted NPV £	Cost including interest £	Discounted NPV £	Cost including interest £	Discounted NPV £
Operating Lease	18,978	17,946	76,560	72,391	95,538	90,337
Finance Lease	25,765	18,813	103,061	78,043	128,826	96,856
Purchase by Annuity Loan	19,534	18,108	81,337	75,173	100,871	93,281
Purchase by Maturity Loan	18,725	16,995	88,800	80,539	107,525	97,534
Purchase using Capital Receipts	20,055	20,807	85,104	85,924	105,159	106,731

- 3.8 The option appraisal showed that acquiring all the vehicles by operating lease is the cheapest funding source. However, the cost of an operating lease is approximately £3,000 less than prudential borrowing by an annuity loan, the latter of which has the advantage of securing ownership of the vehicles outright. This would allow further usage beyond five years, if required, without recourse to extending the lease or obtaining a new lease at a higher cost. Consequently, it is proposed the vehicles be bought outright from prudential borrowing.
- 3.9 Taking all the costs of the proposal into consideration (Appendix B) the total revenue savings that are expected to be generated exceed the costs of borrowing well in excess of 10%, thereby satisfying the Invest to Save criteria.

4.0 Legal

- 4.1 The councils have power under section 111 of the Local Government Act, 1972, to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The procurement of vehicles is ancillary to the above functions.
- 4.2 Section 1 of the Local Authorities (Contracts) act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers power on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both, (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority

5.0 Conclusion

- 5.1 This proposal is expected to generate additional income of approximately £264,000 pa, which is more than sufficient to meet the Invest To Save criteria for the proposed vehicle acquisitions.

6.0 Recommendation

- 6.1 The Joint Strategic Committee is recommended to approve the Invest to Save proposal to procure 9 vehicles to be funded by prudential borrowing in accordance with Paragraph 3.8.

Local Government Act 1972

Background Papers:

None

Contact Officer:

Christine Ryder

Interim Head of Adur Homes

Portland House

01903 221233

christine.ryder@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

1.1 Ensuring value for money and low Council Tax.

2.0 Specific Action Plans

2.1 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 Please refer to 9.1

8.0 Consultations

8.1 TUPE regulations have been followed regarding consultation.

9.0 Risk Assessment

9.1 The risk of not procuring the vehicles:-

- Significant downtime for operatives as vehicles would have to be shared
- Escalating damage to corporate property and housing stock due to the significant delay in carrying out repairs
- Reputational risk for Adur Homes and the Council due to the dissatisfaction of tenants and leaseholders

The risk of procuring the vehicles:-

- As all contracts are based on schedule of rates there is a low risk that vehicles would not be fully utilised

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 The report complies with the Procurement Strategy.

12.0 Partnership Working

12.1 Matter considered and no issues identified

BUILDING SERVICES BUSINESS CASE to increase staff - 2 Carpenters and 6 multi-trade ops (cost £200,000 pa) and purchase 9 vehicles at cost £117,000

Additional anticipated income from East Side Contract Adur Homes - £430,000 per annum

Additional income from voids - Adur Homes £100,000 per annum

Additional anticipated income from corporate , £100,000 per annum

Total additional income £630,000

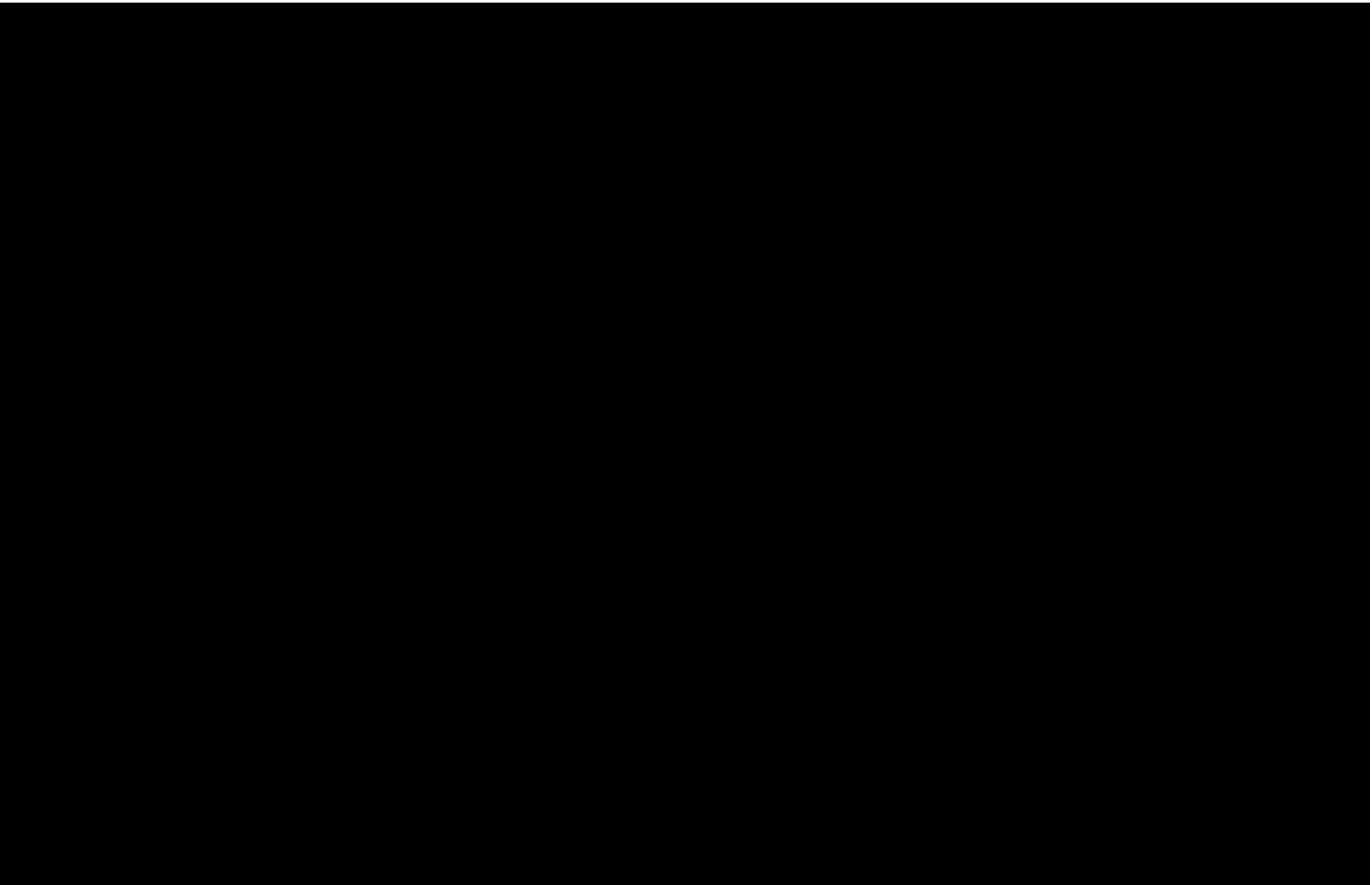
Appendix A

Building services 2013/14 outturn		
Description	Final Outturn	% of income
Direct Labour and Salary costs	£	
Salaries	344,065	
Overtime	11,052	
Employers NI	27,554	
Pension costs	41,905	
Employee Insurances	3,076	
Travel expenses	947	
Workwear	3,157	
Agency Staff	2,617	
Direct Management recharges	5,087	
Central Recharges	11,318	
Services brought -in	96,063	
	546,840	60%
Supplies		
Stationery & Office Supplies	1,304	
Cleaning supplies	2,644	
Eqpt,Furniture & Materials	4,002	
Spares Parts & Consumables	199,346	
	207,296	23%

Building Services Business Case - Additional income and costs		
Description	Estimated for Business Case	% of income
Direct Labour and Salary costs	£	
Salaries	371,820	
Overtime	11,052	
Employers NI	26,010	
Pension costs	44,258	
Employee Insurances	4,922	
Travel expenses	947	
Workwear	4,857	
Agency Staff	0	
Direct Management recharges	7,674	
Central Recharges	11,318	
Error -No charge for admin building for 2013/14	15,000	
Services brought -in	52,522	
Additional staff required		
2 carpenters	54,860	
6 multi trade	143,760	
	748,999	48%
Supplies		
Stationery & Office Supplies	1,327	
Cleaning supplies	4,457	
Eqpt,Furniture & Materials	6,243	
Spares Parts & Consumables	336,494	
	348,521	23%

Vehicle costs		
Vehicle Repairs Maintenance	10,435	
Vehicle Running Cost	613	
Vehicle Fuel	17,354	
Contract Hire Leases	9,713	
Transport insurance	4,544	
	<u>42,658</u>	5%
Income		
Adur Homes	-794,569	
Corporate	-124,283	
	<u>-918,852</u>	
surplus excluding support charges and depreciation	-122,057	13%
Support and depreciation		
Recharges from other services	23,713	
Depreciation	7,340	
	<u>31,053</u>	3%
Net surplus	-91,004	10%

Vehicle costs		
Vehicle Repairs Maintenance	12,235	
Vehicle Running Cost	898	
Vehicle Fuel	25,451	
Contract Hire Leases	0	
Transport insurance	7,689	
	<u>46,273</u>	3%
Income		
Adur Homes	-794,569	
Corporate	-124,283	
NEW Corporate	-100,000	
NEW Adur Homes East side	-430,000	
Increase voids	-100,000	
	<u>-1,548,852</u>	
surplus excluding support charges and depreciation	-405,060	26%
Additional surplus from new business in 1st complete year - excludes finance charges and includes inflation		
	-283,002	
Support and depreciation		
Recharges from other services	24,187	
Depreciation	10,765	
	<u>34,953</u>	2%
Net surplus	-370,107	24%



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CAPITAL SCHEMES OPTIONS APPRAISAL - Invest To Save Scheme

Invest 2 save

Description of Option	1 X 3.5 Tonne flatbed tipper and 8 medium L2H1 panel vans			
Expected Date of Commencement	1st September 2014			
Expected Life of asset	5 years			
Method of Acquisition :	Construction	Outright Purchase	Hire/rent	Leasing
Proposed Method(s) of Capital finance	Capital Receipt	Borrowing	External Finance	Leasing

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Total £
Capital Payments									
Purchase Cost	117,000.00								117,000.00
Other - Technical Services									0.00
									0.00
Total Capital Payments	117,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	117,000.00
Revenue Payments (incremental / whole life)									
Financing Charges	3,357.90	3,357.90	3,357.90	3,357.90	3,357.90	0.00	0.00	0.00	16,789.50
Min/Vol.Revenue Provisions	0.00	23,400.00	23,400.00	23,400.00	23,400.00	23,400.00	0.00	0.00	117,000.00
									0.00
									0.00
Cost of Borrowing	3,357.90	26,757.90	26,757.90	26,757.90	26,757.90	23,400.00	0.00	0.00	133,789.50
EXPECTED Savings (Additional Income less Expenses)									
Savings / Income									
Additional Income from East Side Contract Adur Homes	430,000.00	430,000.00	430,000.00	430,000.00	430,000.00				2,150,000.00
Additional Income from Voids	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00				500,000.00
Additional Income from corporate	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00				500,000.00
Resale Value 5%									0.00
Total Savings	630,000.00	630,000.00	630,000.00	630,000.00	630,000.00	0.00	0.00	0.00	3,150,000.00
Additional Costs									
Staff	198,620.00	198,620.00	198,620.00	198,620.00	198,620.00				993,100.00
Supplies & Services	137,148.00	137,148.00	137,148.00	137,148.00	137,148.00				685,740.00
Vehicle Costs	3,617.00	3,617.00	3,617.00	3,617.00	3,617.00				18,085.00
Other (Specify)									0.00
Total Costs	339,385.00	339,385.00	339,385.00	339,385.00	339,385.00	0.00	0.00	0.00	1,696,925.00
NET REVENUE (COST) / SAVING	290,615.00	290,615.00	290,615.00	290,615.00	290,615.00	0.00	0.00	0.00	1,453,075.00
SAVINGS EXCEED COST OF BORROWING By (£)	287,257.10	263,857.10	263,857.10	263,857.10	263,857.10	-23,400.00	0.00	0.00	1,319,285.50
SAVINGS EXCEED COST OF BORROWING By % (must exceed 10%)	8554.7%	986.1%	986.1%	986.1%	986.1%	-100.0%			986.1%

Additional Information

Net Present Value Basis	2%	0.9804	0.9612	0.9423	0.9238	0.9057	0.888	
NPV of Savings	617,652.00	605,556.00	593,649.00	581,994.00	570,591.00	-	-	2,969,442.00
NPV of Costs	332,733.05	326,216.86	319,802.49	313,523.86	307,380.99	-	-	1,599,657.26
Net Saving on discounted NVP Basis								1,369,784.74
							Savings as % Cost	85.63%

Ward: [Marine]

Lower Beach Road Car Park and Ferry Road Enhancement Project

Report by the Director for the Economy

1.0 Summary

1.1 This report updates the Committee on progress towards implementing the enhancement schemes for the Lower Beach Road Car Park and Ferry Road projects. The report highlights the delays to the project caused by the Traffic Regulation Order (TRO) process and a shortfall in funding that needs addressing. The report recommends that additional funding is made available from the sale of the Surrey Arms Public House to ensure that the enhancement schemes can proceed as planned without compromising the quality of the enhancement projects.

2.0 Background

2.1 The Shoreham Renaissance Strategy identifies a number of key public realm enhancement opportunities. The Strategy sets out the overall aims for public realm enhancements including improving visual and physical access to the waterfront. An important aspect of the overall Strategy was to create an improved link between the Town Centre and the Beach. As Members are aware, various sections of this link have been implemented including the pedestrianisation of East Street and the opening of Ferry Bridge.

2.2 The approved footbridge was intended to be built at the same time as the tidal defences along the section of Lower Beach Road Car Park fronting the river. Given the height of the new tidal defences the 'landing point' of the bridge was designed with steps and a ramp to take pedestrians and cyclists down to grade level. It was not clear at the planning application stage how the cyclepath from the bridge would link to the coastal cycle route and how this may have impacted on the layout of the car park.

2.3 An improvement scheme adjacent to the Ferry Road shops had been prepared by Consultants BDP and an opportunity presented itself to enhance the 'landing point' for the new bridge and provide a more attractive and accessible pedestrian/cyclist link to Ferry Road, the Beach and the Coastal cyclepath. At its meeting on the 11th November 2011 the Committee resolved to:

- i) recommend Adur Council to release up to £250k from the Shoreham Renaissance ring-fenced budget towards the cost of the enhancement scheme for Lower Beach Road Car Park;

- ii) recommend Adur Council to include this scheme in the 2013/14 Adur Capital Investment Programme;
- iii) delegate authority to Officers to continue negotiations with Shoreham Port Authority to address covenant and access issues and if necessary proceed to purchase the freehold to facilitate the development;
- iv) agreed to Officers starting detailed design work immediately and implementing a scheme in consultation with the Cabinet Member to ensure the delivery of the project coincides with the completion of the footbridge.

2.4 An amended planning application was subsequently approved by West Sussex County Council in 2013 for the revised design for the Ferry Bridge landing point. To resolve covenant and access issues Adur Council has purchased the car park from the Port Authority and a detailed design for the car park enhancement scheme has been prepared.

3.0 Current Position

3.1 The tender process for the enhancement schemes for Lower Beach Road Car Park and Ferry Road has been recently completed. The intention was for the Car Park works to commence in August with the Ferry Road scheme commencing in September. However, it has not been possible to award the contract yet as the TRO process has not been completed and there is a shortfall in funding for the Lower Beach Road Car Park scheme.

3.2 Both the enhancements schemes require a TRO to remove vehicular access to sections of the public highway providing enhanced pedestrian/cycle access. Despite the TRO process starting at the end of last year the formal consultation process has not yet started. A stakeholder consultation event held several weeks ago highlighted concerns from business owners in Ferry Road about the loss of parking (4 spaces) and there seems some doubt about whether the local County Council Member will agree to the formal consultation process starting with these outstanding objections. It is hoped that a decision will be taken shortly and even if the decision on Ferry Road is delayed it is hoped that the TRO for the Car Park would be agreed enabling work to still start at the end of September.

3.3 The level of funding available to undertake the enhancement scheme to Lower Beach Road Car Park has been reduced as the County Council contribution towards the works has been reduced by approximately £70,000. The contribution was to be £200,000 and this was based on the cost involved with the Contractors returning the Councils car park to its former condition. However, the Contractors had to spend more than was anticipated on the temporary ramp and access at the southern end of Ferry Bridge reducing the contribution available to spend on the enhancement scheme.

3.4 The tender process has also highlighted that the scheme will require additional funding to carry out the landscaping originally envisaged to enhance the seated area at the landing point of the new Bridge. It is anticipated therefore that a further £75,000 is required to complete the car park enhancement scheme and to avoid reducing the quality of the scheme by looking to save money on materials and finishes.

4.0 Financial Considerations

4.1 The original contribution to the Lower Beach Road Car Park scheme was £250,000. This was funded from the sale of the Surry Arms Public House which generated £987,000 and was ring-fenced for regeneration projects. It is recommended that the £75,000 required to complete the enhancement project is taken from the remaining ring-fenced capital receipt.

5.0 Legal

5.1 Section 1 of The Localism Act 2011 confers upon a Local Authority a general power of competence to do anything that individuals generally may do and in particular the power to do it for the benefit of the authority, its area or persons resident or present in its area.

6.0 Recommendation

6.1 The Committee is recommended to release up to £75,000 towards the cost of the enhancement scheme for Lower Beach Road Car Park from the ring-fenced sale of the Surry Arms Public House.

Local Government Act 1972

Background Papers:

Shoreham Renaissance Strategy.

Planning Applications for the new Footbridge.

Plans and Report prepared by BDP on the design of the enhancement scheme and public consultation responses.

Contact Officer:

James Appleton

Head of Planning and Regeneration

Portland House, Richmond Road, Worthing

01903 221333

james.appleton@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 (i) Promoting a clean, green sustainable environment.
- (ii) Supporting and improving the local economy.

2.0 Specific Action Plans

- 2.1 (i) Implementing a key objective of Shoreham Renaissance Public Realm Strategy.
- (ii) Supporting regeneration projects to enhance the streetscene and improve sustainability.

3.0 Sustainability Issues

- 3.1 The proposed enhancement scheme would help to improve cycle and pedestrian routes and encourage more sustainable modes of transport.

4.0 Equality Issues

- 4.1 The design of the scheme has taken into account the accessibility needs of all users.

5.0 Community Safety Issues (Section 17)

- 5.1 The creation of enhanced areas of open space would increase public accessibility and help reduce the incidence of crime in the area.

6.0 Human Rights Issues

- 6.1 The development would not impinge on anyone's human rights. The scheme would ensure that existing access rights to properties are retained.

7.0 Reputation

- 7.1 The enhancement scheme would enhance the Council's reputation.

8.0 Consultations

- 8.1 (A) Two public consultation exercises undertaken in October 2012.
- (B) Further consultation to be undertaken in connection with the Traffic Regulation Order.

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 The procurement of this project will follow Council's adopted procedures.

12.0 Partnership Working

12.1 The implementation of this scheme requires partnership working with WSCC and the Port Authority.

Ward: []

Preferred location for the provision of an Artificial Grass Pitch (AGP) in Adur

Report by the Director for the Economy

1.0 Summary

- 1.1 This report considers the various options available for the provision of a new Artificial Grass Pitch (AGP) in Adur utilising the s106 agreement funding provided in connection with Brighton and Hove Albion Football Club's (B&HAFC) new training facility in Lancing. The possible sites have been considered having regard to the recently completed Playing Pitch Strategy prepared by Consultants KKP. The report recommends the preferred location to be the Sir Robert Woodard Academy, although the report acknowledges that this would be subject to satisfactory negotiations with the Academy and a detailed financial appraisal being undertaken.

2.0 Introduction

- 2.1 On the 6th February 2013 planning permission was granted for B&HAFC to build a new First Team Training and Academy Facility on land originally passed to Adur District Council for use as sports pitches. This land was originally transferred to Adur's ownership in connection the granting of planning permission for an 18 hole golf course on adjoining land. To compensate for the loss of formal open space a s106 agreement was entered into with the Club requiring community use of the new Training Facility and a financial contribution of £1.35 million towards improving sports facilities across the District.
- 2.2 The s106 agreement entered into with the Club provides £700,000 towards the provision of a 3G pitch (Third Generation Artificial Grass Pitch) to include fencing, floodlighting and changing rooms and £650,000 towards the cost of provision/enhancement of other off site leisure facilities in Adur. The triggers for the release of the funding are as follows:
- 20% of the pitch contribution upon the issue of the planning permission (£140,000 received in accordance with the agreement)
 - 80% of the pitch contribution upon the grant of planning permission for the off-site pitch and,
 - the leisure facilities contribution to be paid upon the occupation of the development (this contribution is now due).
- 2.3 Since the grant of planning permission the Club has obtained permission for an additional 3 pitches on land to the east of the training facility (two AGP's and one grass pitch). One of the AGP's is to be used predominantly as a community pitch

and has recently obtained permission for floodlighting. The Community Use Agreement required by the original s106 is close to being signed and currently would secure 86 hours use of community use of the extended training facility (70 hours use of the floodlit community pitch AGP).

- 2.4 A Working Group consisting of Councillors Neil Parkin, Pat Beresford and Keith Dollemore was set up following the grant of permission for the training facility to discuss the optimum location of the off-site AGP. At an early stage the priorities for the use of the off-site pitch contribution was to secure a AGP on a site in Lancing (to compensate for the loss of the sports pitches in the Parish), provide maximum community benefit and to ensure value for money. It was also agreed to have regard to the emerging Playing Pitch Strategy in any final decision on a preferred location. The 3 main sites considered by the Working Group have been Lancing Manor Sports Centre, Monks Recreation Ground and the Sir Robert Woodard Academy. These sites are considered in more detail later in this report.

Playing Pitch Strategy

- 2.5 The Playing Pitch Strategy for Adur and Worthing has recently been received from Consultants KPP. This Strategy forms part of a wider review of Open Space, Sport and Recreation across both authorities and sets out a number of key recommendations and an Action Plan to address any shortfall in provision and qualitative issues with existing pitch provision. Copies of the report in relation to Adur are available in the Members Room.
- 2.6 Regarding football the Strategy identifies that there is a shortfall of two AGP's in the area. The Strategy also identifies the need for investment in pitch provision to address the shortfall in youth provision in Adur of 1.5 pitches (11 a side) and that the predicted future increase in mini football teams would also result in a deficiency equivalent to 9.3 pitches in the District.
- 2.7 The Strategy has 5 main aims the first being to protect and enhance levels of outdoor sports facilities. To meet this aim the Strategy states that the following objectives need to be implemented:
- Rectify qualitative shortfalls in current pitch stock and outdoor facilities
 - Identify opportunities to add to the overall stock (including AGP's) to accommodate both current and future demand and,
 - Protect existing sports facilities where there is a need to do so.
- 2.8 The Strategy recognises that the current level of grass pitch provision is protected, maintained and enhanced to secure provision now and in the future. It also stresses the importance of securing long terms community use at schools and colleges.
- 2.9 In terms of future development trends the Strategy states that demand for AGP pitches (primarily 3G) for football continues to increase. However, it also identifies that there is an overplay for rugby particularly on Buckingham Park and therefore the provision of 3G pitches that are IRB compliant would also help to reduce overplay as a result of training on rugby pitches.

- 2.10 The Strategy sets out criteria that should be used in determining the best location for a new AGP:
- Proximity and demand for existing AGP provision.
 - Access on site to existing ancillary facilities (e.g. changing facilities and car parking etc.).
 - Opportunities to maximise community use (e.g. the potential to create a shared facility such as dual use with a school or sporting facility).

3.0 Potential Sites for a new Artificial Grass Pitch

- 3.1 As stated previously there have been 3 sites considered as potentially suitable for the provision of a new AGP in Lancing. The 3 sites would all have the potential for on site management of the facility, and would have some existing car parking provision available. However, each site has its constraints and all would need further investigation in terms of design and layout and financial implications for the Council in the future.

Lancing Manor

- 3.2 As indicated previously there is the potential for significant revenue to be secured from any new AGP facility given the demand for training by existing clubs and the scope for marketing 5 a side leagues. As such the starting point for reviewing available sites was on land owned by the Council. The only suitable site with on site management, car parking and changing facilities was Lancing Manor Leisure Centre and initial discussions have been undertaken with Impulse.
- 3.3 Lancing Manor already has floodlit tennis courts although the main demand for these courts is for 5 a side football. Initially Officers looked at the scope for a full size AGP but it was apparent that this could not be secured on the site given the land available without impacting on the existing Nursery building. The site is also constrained in that the land falls away sharply to the car park and any extension to the existing hard courts would require a costly cut and fill operation. Various alternative layouts have been provided but the largest pitch that could be realistically constructed would be a $\frac{3}{4}$ quarter size pitch which would provide scope for junior football matches and training facilities as well as being able to expand the 5 a side provision at the site.
- 3.4 In terms of car parking a new AGP would require additional car parking to be provided. This is an issue already for the Leisure Centre and additional traffic to the site may require alterations to the existing access (providing additional passing spaces).
- 3.5 From a planning perspective the provision of a smaller AGP extending the existing tennis courts/floodlighting could be designed to reduce any impact on residents to the north of the Leisure Centre. In this respect existing screening could be retained and enhanced. Consultation with the National Park would be required and it would be likely that any planning permission would require additional car parking and access improvements.
- 3.6 The main advantage of this option would be that it would be enhancing the Council's leisure offer/asset and potentially maximising the level of revenue that

could be secured from the site. Impulse would be in a strong position to market the new AGP and the opportunity for additional 5 a side leagues to be set up. In this respect Impulse considers that the other facilities at the Leisure Centre as well as the bar would make the site a more popular venue for 5 a side teams.

- 3.7 The main drawback of this option, however, would be the inability to provide a full size pitch which would assist some of the over use of existing pitches identified in the Open Space, Sport and Recreation Study. Compared to the other two options the construction costs would also be disproportionately high because of the levels across the site. For this reason it is not considered that this option should be pursued.

Monks Recreation Ground

- 3.8 During the determination of the planning application for Brighton's training facility the possible use of Monks Recreation Ground as a location for the new AGP was raised. Representatives of Sussex FA, whose headquarters are based at Lancing United's ground at Culver Road, have met the Working Group to discuss the scope for the AGP being located adjacent to the existing floodlit pitch on land owned by Lancing Parish Council. Sussex FA has indicated that it would be able to manage the AGP on behalf of the Council.
- 3.9 The proposed AGP at Monks Recreation Ground would be located parallel to the existing Culver Road pitch. Although there are changing facilities on site, the Sussex FA has suggested that new changing rooms could be provided which could also provide replacement public toilets.
- 3.10 Although there is a car park for the Culver Road pitch and some public car parking along the frontage of the site, additional car parking would be required to serve the new AGP. Access to this car parking would be difficult to achieve from Culver Road and any access elsewhere would have an adverse impact on the Recreation Ground.
- 3.11 Although the AGP would be adjacent to the existing floodlit facility there would be concern about the impact of the facility on flats to the east of the site. The other disadvantage with the Monks Recreation Ground option would be that the facility would result in some impact on existing junior/mini football pitches on the site. Whilst Sussex FA has provided an alternative pitch layout, given the findings of the recent Playing Pitch Strategy which identified a shortage of youth pitches, any loss of formal pitch provision should be revisited.
- 3.12 As the land is owned by the Parish Council, pursuing the Monks Farm Recreation Ground option would also need to seek the formal agreement of the Parish Council. Whilst, this would not be difficult to secure as previous proposals for a 3G pitch have been considered on the Recreation Ground, the Parish Council could seek some of the revenue stream likely to be generated by the facility as it is located on its land.

Sir Robert Woodard Academy

- 3.13 The last option is to site the AGP at the Sir Robert Woodard Academy (SRWA). The large field in front of the school and leading up to the A27 would provide sufficient space for a full size facility. The Academy has changing rooms located on the north side of the school and these would be available and suitable for use in connection with the AGP. The Academy also has significant parking at both the north and south sides of the school. The increasing use of the school for various community activities could cause difficulties with available parking at certain times and, therefore, this may require some additional parking, albeit limited, adjacent to the AGP.
- 3.14 The key benefit with this option is the scope to provide enhanced sport provision for the Academy at the same time as providing the Council a revenue stream for community use. The site is flat having already been prepared for a football pitch and sports facility and there is sufficient land for a full size pitch. Unlike Monks Recreation Ground the proposal would not result in the loss of any public open space or require the provision of additional changing rooms.

4.0 Financial Considerations

- 4.1 Sport England's Facilities Cost Guidance (2013) suggests that a new AGP would cost between £840,000 to £890,000 (based on different 3G surfaces). This cost would include ground works, fencing and floodlighting. The s106 agreement only provides for £700,000 as B&HAFC was able to demonstrate through its own tender process for its pitches that an AGP could be built for this lower amount. Clearly the cost of the facility would depend on the ground conditions and the usual competitive tender process. For an AGP to be IRB compliant for rugby training, additional shock pads would need to be installed at an additional cost of approximately £70 - 80,000. Whether this additional cost is necessary will be dependent on an analysis of the extra use that this would provide and consequent additional income.
- 4.2 In terms of ongoing maintenance and replacement costs Sport England provides guidance on the typical life cycle costs for AGP's. This is based on a typical annual allowance based on a percentage of the overall estimated project cost. For a full size 3G pitch this would require a combined sinking fund/maintenance cost of 3.7% equating to approximately £29,000 per annum.
- 4.3 In terms of future revenue funding this would be dependent on demand. However, previous revenue streams from Worthing Leisure Centre's sand dressed pitch were approximately £100,000 pa. Adur Members may be aware that Worthing Leisure Centre has recently installed a replacement 3G pitch and is marketing the new facility as a Soccer Centre seeking to maximise future revenue for football and, in particular, 5 a side leagues. Projections for the new Soccer Centre, on a conservative basis, are predicting income in excess of £200,000. It is clear therefore that there is scope for a significant revenue stream for a new AGP/3G facility.
- 4.4 In terms of the 3 options that have been assessed, a facility at Sir Robert Woodard Academy would appear to be the most cost effective in terms of initial capital costs and future revenue streams. Although the facility would not be available during school days and, therefore, this could affect future revenue, the reality is that off

peak demand is significantly less during the day. At Worthing Leisure Centre, day time use accounts for only 17% of all usage. Furthermore, the school would make full use of the facility during the day and this 'benefit' to the school would influence negotiations around any percentage split of future revenue income. At the present time the Academy has indicated that it would only look to cover its staffing, management and replacement costs with all other revenue income being passed on to the Council. The following table highlights some of the financial differences between the 3 options.

Site	Pitch Size/Capital Costs	On Site Management	Changing Rooms	Additional Car Parking	Future Revenue Streams
Leisure Centre	£850 – £950K 3/4 size pitch	Y	N	Y	£100-150K** pa
Monks Recreation Ground	£780K Full size pitch	Y This may require additional hours for existing staff or new part time post	Y £255K*	Y	£100-150K pa
Sir Robert Woodard Academy	£780K Full size	Y This may require additional hours for existing staff or new part time post	N	Y	£100-150K pa

* Based on Sport England Guidance for two changing rooms

**Likely to generate less income as no scope for full size adult games on ¾ size pitch. However, scope for impulse to secure other revenue streams (increase in bar and food takings).

5.0 Remaining B&HAFC Funding

5.1 The Working Group has considered various schemes that have been put forward to benefit from the remaining S106 funding. However, at this stage it does feel that it is not appropriate to commit funding until the full cost of providing the 3G facility is known. In terms of an emerging Strategy for the use of the remaining funding, the Working Group is keen to spread the benefit of the funding across the District and, in this respect, would be supportive of a larger project to the east of the River to address some of the qualitative issues highlighted in the recent Open Space, Sport and Recreation Study. A further report on the use of the remaining S106 funding will be presented later in the year once the 3G pitch project has advanced.

6.0 Legal

6.1 Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything (whether or not involving expenditure or the acquisition of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

6.2 Part 1 Local Government Act 2000 places a duty on Councils to promote or improve the economic, social and environmental wellbeing of their area.

6.3 Section 1 Localism Act 2011 provides the Council with a general power of competence and empowers the Council to do anything which individuals generally may do, including a power to do it for a commercial purpose or without charge, and the power to do it for the benefit of the area and those resident or present in the area.

7.0 Recommendation

7.1 It is recommended that the Committee:

- i) Agrees in principle to pursue the option of a 3G pitch at Sir Robert Woodard Academy,**
- ii) Supports the development of a detailed financial appraisal and management agreement in partnership with the Academy setting out future arrangements for maintenance, management and future revenue streams for Adur Council in consultation with the existing Member Working Group.**
- iii) Note the Working Groups initial thoughts on the use of the remainder of the Brighton and Hove Albion s106 funding as detailed in paragraph 5.1 of this report.**

Local Government Act 1972

Background Papers:

Open Space, Sport and Recreation Study 2014

Sport England Guidance – Life Cycle Costs Artificial Surfaces April 2012

Sport England Guidance – Facilities Costs (Fourth Quarter 2013)

The FA Guide to 3G Football Turf Pitch Design Principals and Layouts 2013

Contact Officer:

James Appleton

Head of Planning and Regeneration

Portland House, Richmond Road, Worthing

01903 221333

james.appleton@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

1.1 A mixed economy of Partnership working.

2.0 Specific Action Plans

2.1 Work more closely with and commission our communities, the voluntary sector, public organisations, business and commercial sectors to:

- Develop and deliver services.
- Reduce crime, fear of crime, antisocial behaviour and support the Early and Family Intervention projects.
- Deliver interventions that improve the health of our communities.
- The provision of improved sports facilities for the schools and Local Community would help to meet the above objectives.

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 The provision of a 3G pitch potentially could impact on human rights issues in relation to the amenities of local residents. However, this would be addressed as part of the planning process and permission would only be granted on the basis that the proposed development would not materially affect the human rights of local residents.

7.0 Reputation

7.1 The provision of improved sport and recreational facilities would enhance the Council's reputation. In particular, the proposal would be a good example of partnership working providing maximum community benefit.

8.0 Consultations

8.1 Internal consultation with Management Team and Senior Members, including a Member Working Group.

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 recommendation proposes a partnership scheme with Sir Robert Woodard Academy and the County Council to deliver enhanced sports provision for the school and local community.

Ward: All

Adur's Pot of Gold 2015

Report by the Director for Communities

1.0 Summary

- 1.1 After the success of the last five years Pot of Gold (POG) project, this report seeks member's opinions on a further revamp of the process and a release of funds.

2.0 Background

- 2.1 Since 2009 Adur have run 5 successful participatory budgeting events. The events have given residents the opportunity to decide where £380,000 has been spent in the district.
- 2.2 Though the process has allocated money to some excellent projects and a wide range of community groups, residents associations and charities, the format of the event needs to be reviewed to ensure that a wide range of proposals come forward for the next event.

3.0 Proposals

- 3.1 It is proposed that an Officer working group be set up to consider how the 'Pot of Gold' is to be taken forward over the next year. The work of the group will form part of a wider review of Community Engagement in Adur (and Worthing).
- 3.2 The working group is to bring proposals forward for a revamped 'Pot of Gold' process for 2015/16. The group is to consider:
- How best to engage with the local community on bringing ideas forward;
 - Whether the event should be targeted at a specific theme or group;
 - What sort of projects or ideas should be encouraged to come forward;
 - How best to publicise the value of the Councils investment in participatory budgeting, including proposals to publicise the impact of "Pot of gold" grants awarded in previous years.

The working group is to report back to the Leader in September to enable the event to be run early in 2015/16.

- 3.3 It is suggested that £50,000 is released from the capacity reserves to fund the event.

3.4 Proposed Timetable –

October 2014	Coming soon trailer on Social Media sites. (Seek Community Freepaper for ads)
November 2014	Start Herald advertising and distribution of leaflets to community facilities / groups
December 2014 (actual date Monday 1st December)	Applications formally open
February 2015 (actual date Monday 2nd February)	Applications close
February 2015 (week commencing 23rd February)	Short listing panel to sit
April 2015 (week commencing 6th April)	Voting event takes place

4.0 Legal

- 4.1 Under section 1 of the Localism Act 2011 the Council has a general power of competence to do anything that individuals may do provided that the activity is not specifically prohibited by legislation. There is no relevant legislation that would prevent the Council undertaking the actions outlined in the recommendations.
- 4.2 Section 151 Local Government Act 1972 allows the Council to make arrangements for the proper administration of their financial affairs.
- 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 in conducive or incidental to the discharge of any of their function.

5.0 Financial implications

- 5.1 Members are asked to release £50,000 from the Capacity Issues Reserve to enable the exercise to go ahead for 2015/16 and to provide flexibility in considering which of the bids should be accepted.

6.0 Recommendation

- 6.1 It is recommended that the Joint Strategic Committee:
- i) approve that all the £50,000 be released from Capacity reserves
 - ii) Agree the proposed timetable

**Local Government Act 1972
Background Papers:**

N/A

Contact Officer:

Sarah Stride
Consultation Officer
Room 37 Town Hall
01903 221109
sarah.stride@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 To Protect and Improve Priority Services: Listen to our Community. We also have a strategic corporate document, Catching the Wave in which Cultivating Enterprising Communities is one of the key priorities.

2.0 Specific Action Plans

- 2.1 None identified – Formally on the Community Action Plan

3.0 Sustainability Issues

- 3.1 No issues identified

4.0 Equality Issues

- 4.1 One of the process aims is to inject funds into some of our deprived wards.

5.0 Community Safety Issues (Section 17)

- 5.1 The current scoring matrix includes a deduction of points for any project that could have any crime and disorder or health and safety issues related to it.

6.0 Human Rights Issues

- 6.1 No issues identified

7.0 Reputation

- 7.1 Over the past 5 events it is deemed that the process has had a positive impact on the reputation of the council

8.0 Consultations

- 8.1 No issues identified

9.0 Risk Assessment

- 9.1 No issues identified

10.0 Health & Safety Issues

- 10.1 No issues identified

11.0 Procurement Strategy

- 11.1 No issues identified

12.0 Partnership Working

- 12.1 No issues identified

Worthing's The Money Tree 2015

Report by the Director for Communities

1.0 Summary

1.1 After the success of the last two years The Money Tree project, this report seeks member's opinions on a further revamp of the process and a release of top-up funds.

2.0 Background

2.1 Since 2012 Worthing have run two participatory budgeting events. The events have given young people the opportunity to decide where approximately £30,000 has been spent in the borough.

2.2 Though the process has allocated money to some excellent projects delivered by and for the young people of Worthing it was thought that the process needed to be reviewed in 2014/15.

3.0 Proposals

3.1 After a meeting of officers, members and Youth Council representatives on 3rd June 2014 it is proposed that essentially the process remain the same with a few small tweak to the application and scoring criteria.

- Schools can only apply if the project is for a community project based in a school and accessible to all.
- Ensure that groups applying are totally non-profit making.
- Focus on benefits to 'areas' rather than wards.
- That applications can come from young people or community groups working for young people aged under 25 rather than 11-25.

3.2 That Youth Council members visit and report back on the projects that have been allocated funding by the end of the funding year.

3.3 That £15,000 be released from Capacity Reserves to top up the remaining £5,000 from the 2013/14 process.

3.4 That £1000 is released from the capacity reserves to fund the process. This will be used for advertising, promotional materials and the event.

3.5 Proposed Timetable –

January 2015	Coming soon trailer on Social Media sites. (Seek Community Freepaper for ads)
February 2015	Start Herald advertising and distribution of leaflets to community facilities / groups
March 2015 (actual date Monday 2 nd March)	Applications formally open
May 2015 (actual date Tuesday 5 th May)	Applications close
May 2015 (week commencing 18th May)	Short listing panel to sit
July 2015 (actual date 2 nd July)	Voting event takes place (Council Chamber booked)
July 2015 to July 2016	Youth Councillors to visit and review projects.

4.0 Legal

- 4.1 Under section 1 of the Localism Act 2011 the Council has a general power of competence to do anything that individuals may do provided that the activity is not specifically prohibited by legislation. There is no relevant legislation that would prevent the Council undertaking the actions outlined in the recommendations.
- 4.2 Section 151 Local Government Act 1972 allows the Council to make arrangements for the proper administration of their financial affairs.
- 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 in conducive or incidental to the discharge of any of their function.

5.0 Financial implications

- 5.1 Members are asked to release £16,000 from the Capacity Issues Reserve to enable the exercise to go ahead for 2015/16 and to provide flexibility in considering which of the bids should be accepted.

6.0 Recommendation

- 6.1 It is recommended that the Joint Strategic Committee:
- i) approve that all the £16,000 be released from Capacity reserves
 - £15,000 to top up the grants pot
 - £1,000 to put on the event
 - ii) Agree the proposed timetable

**Local Government Act 1972
Background Papers:**

N/A

Contact Officer:

Sarah Stride
Consultation Officer
Room 37 Town Hall
01903 221109
sarah.stride@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 To Protect and Improve Priority Services: Listen to our Community. We also have a strategic corporate document, Catching the Wave in which Cultivating Enterprising Communities is one of the key priorities.

2.0 Specific Action Plans

- 2.1 None identified – Formally on the Community Action Plan

3.0 Sustainability Issues

- 3.1 No issues identified

4.0 Equality Issues

- 4.1 One of the process aims is to inject funds into some of our deprived wards.

5.0 Community Safety Issues (Section 17)

- 5.1 The current scoring matrix includes a deduction of points for any project that could have any crime and disorder or health and safety issues related to it.

6.0 Human Rights Issues

- 6.1 No issues identified

7.0 Reputation

- 7.1 Over the past 5 events it is deemed that the process has had a positive impact on the reputation of the council

8.0 Consultations

- 8.1 No issues identified

9.0 Risk Assessment

- 9.1 No issues identified

10.0 Health & Safety Issues

- 10.1 No issues identified

11.0 Procurement Strategy

- 11.1 No issues identified

12.0 Partnership Working

- 12.1 No issues identified

Worthing Borough Council MSCP Off-Street Parking Charges

Report by the Director for the Economy

1.0 Summary

1.1 This report updates Members on the financial and occupancy impacts of the reduced tariffs in Worthing Borough Council's three key Multi-Storey car parks (High Street, Grafton and Buckingham Road). It follows the 3 month tariff trial from April to June 2014.

2.0 Background

2.1 The car parks within Worthing were managed by NCP for a 10 year period up to 31st March 2014. On the 1st April 2014 the service came back in house. One of the drivers for bringing the service back under the management of the Council was to regain control of the car parking tariffs and Members agreed on the 3rd December 2013 to reduce the tariffs within the multi storey car parks from the 1st April 2014 to £1.00 per hour for an initial period of 3 months. During this time, the Leader and Cabinet Member for the Environment received weekly updates on financial and occupancy impacts of the trial.

2.2 The cost of reducing the tariffs was estimated to be £118,700 (based on a model used by NCP), which was to be funded from Council Reserves.

3.0 Current arrangements

3.1 All costs of the car park operation are met from the income generated by the service.

3.2 In addition to the car parks owned by the Council and managed by NCP, other Council car parks exist elsewhere in the District and Borough but these are managed by property managers, e.g. Parks and Leisure. There are also several privately owned car parks which are managed privately, such as supermarkets, flats and railway stations. NCP Limited lease and manage 2 car parks themselves which have no connection to the Council – namely, Union Place and Teville Gate surface car park. Montague Centre car park is now managed by CP Plus Limited.

3.3 The current Worthing Borough Council owned car parks which are managed by the Parking Services Team, are as follows:

Surface Car Park Name	Number of spaces	Control
High Street Surface	48	Pay and Display charges
Beach House East	17	Pay and Display charges
Beach House West	50	Pay and Display charges
Lyndhurst Road East	59	Pay and Display charges
Lyndhurst Road West	86	Pay and Display charges
Durrington Station	22	Free
Brooklands Western Road	168	Pay and Display charges
Brooklands Brighton Road East	42	Pay and Display charges
Brooklands Brighton Road West	21	Pay and Display charges
Marine Crescent	57	Pay and Display charges
Goring Road	35	Free
Sea Lane	68	Free
Queens Street	78	Free
Poulters Lane	24	Free
Tudor Buildings	6	Free
Storrington Rise	35	Free
West Hill	10	Free
Honeysuckle Lane	30	Free
Bost Hill	40	Free
Coombe Rise	15	Free
Brooklyn Avenue	30	Free
Elm Grove	11	Free
Civic Centre	180	Pay and Display charges
Total	1,132	

Multi-Storey Car Park Name	Number of spaces	Control
High Street MSCP	644	Pay on Foot charges
Buckingham MSCP	288	Pay on Foot charges
Grafton MSCP	440	Pay on Foot charges
Teville Gate MSCP	394	Pay and Display charges
Total	1,766	

4.0 Current performance of the car parks:

4.1 Overall, in 2013/14, the turnover from the car parks was £2.7m and a breakdown for key car parks is provided in the table below.

The 2013/14 Turnover per Car Park (inc.VAT) is:

Car Park	Annual Turnover
High Street MSCP	£952,186
Grafton	£878,850
Buckingham	£366,280
Teville Gate	£65,465
Beach House East	£56,648
Beach House West	£107,528
Lyndhurst Rd East	£85,755
Lyndhurst Rd West	£66,253

High Street Surface	£83,951
Marine Crescent	£2,293
Civic Centre	£4,000
	(guaranteed sum)
Brooklands Western Rd	£40,483
Brooklands Brighton Rd East	£3,113
Brooklands Brighton Rd West	£693
TOTAL	£2,713,498

4.2 One of the prime reasons for bringing the car park service back in-house was to regain control over the tariffs with a view to reducing car park fees to encourage more residents to use the MSCPs, more visitors and shoppers to the town and to support the local economy.

4.3 In December 2013, Members agreed to reduce the tariffs within the MSCPs as follows:

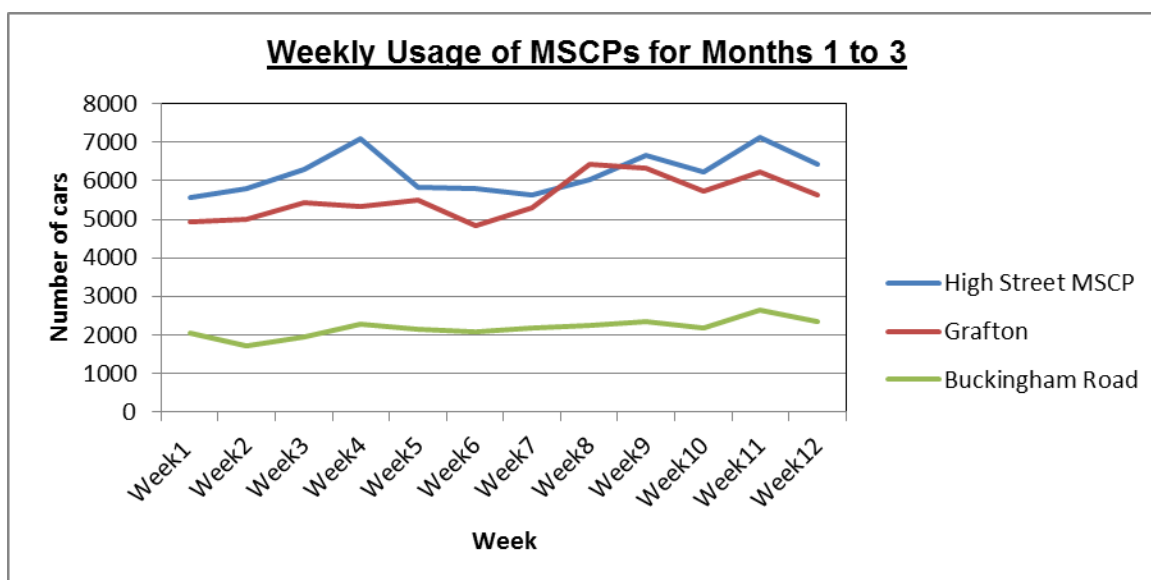
Chargeable Hrs	Existing Tariffs	Tariff Trial (3 months)
30 mins	£0.90	
1 hr	£1.70	£1
90 mins	£2.60	
2 hrs	£3.40	£2
3 hrs	£5.00	£3
4 hrs	£6.60	£4
5 hrs	£8.20	£5
All day	£11	£10
Night rate 6pm-6am	£1.00 ph Max £3	£1.00 ph Max £3
Sunday 6am-6pm	£1.00 ph Max £3	£1.00 ph Max £3
Forecast impact of tariff trial - (Loss)/Gain from the same period in previous year under NCP's control		(£118,700)

4.4 High Street, Grafton and Buckingham Road multi-storey car parks assessment of first 3 months

4.4.1 This assessment covers the full 3 month tariff trial period.

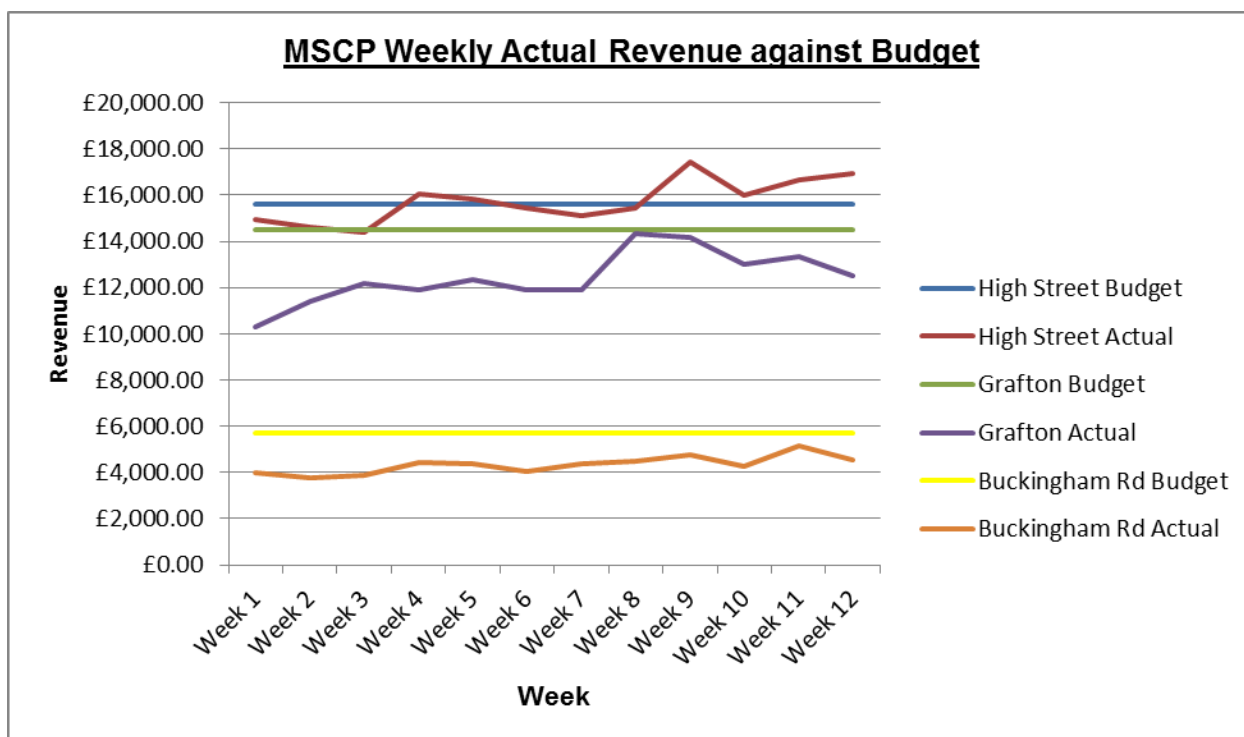
4.4.2 The tariff change has stimulated additional use of the car parks. Overall weekly average use of the MSCPs has increased by 15% in the first three months with a gradual increase in the level of attendance at Grafton and Buckingham Road. Early high levels of usage at High Street MSCP were due to the 2 hour free parking vouchers – this usage has now levelled off and spread to the other 2 sites.

Site	Weekly Average Usage Apr - Jun 2013	Weekly Average Usage Apr - Jun 2014	% change in Average Usage Apr - Jun
High Street MSCP	5113	6209	21%
Grafton	5110	5563	9%
Buckingham Road	1910	2180	14%
TOTAL	12133	13952	15%



4.4.3 At the same time weekly average income from the MSCPs was just 5% less than that of the previous year. This is a comparison of the income received in the car parks in this time from pay on exit revenue, directly compared to that received by NCP in the same three months of the previous year. It does not take into account any guaranteed sum paid to NCP which now remains with the Council. The income is detailed as follows:

Site	Weekly Average Income Apr - Jun 2013	Weekly Average Income Apr - Jun 2014	% change in Average Income Apr - Jun
High Street MSCP	£14,158	£15,728	11%
Grafton	£15,238	£12,442	-18%
Buckingham Road	£4,701	£4,338	-8%
TOTAL	£34,097	£32,508	-5%



The overall income would have also been influenced by the 2 hour free parking vouchers at High Street. A total of 960 vouchers were surrendered from the Herald and 70 from the flyers during April 2014; totalling 1,030 free vouchers at a loss of £2,060. If this lost revenue was added to that collected, the average weekly income would only have been down by 4% from the same period in the previous year.

In addition, the delays in resolving IT connectivity issues between sites led to the barriers having to be raised at Grafton and Buckingham Road overnight from 1 April to 25 April 2014. This meant overnight charging could not be enforced and I would estimate that, had this delay not occurred, the loss of revenue could have been reduced further to just 3%.

So, whilst income from pay on exit charges is lower than that generated at the same time in the previous year, the fall in income has not been as great as originally expected. Overall the tariff trial (including income from season tickets and surface car park) is cost neutral which is a significant improvement on the original estimate of a net cost of £118,700.

Both income and usage of the MSCPs continue to slowly rise week upon week, with the latter part of the tariff trial showing one week up 4% on income from the previous year.

4.4.4 Surface Car Parks and Teville Gate:

Usage and Income from Teville Gate MSCP and the surface sites has increased during the first 2 months as follows:

Site	Weekly Average Usage Apr-Jun 2013	Weekly Average Usage Apr - Jun 2014	% change in Average Usage Apr - Jun	Weekly Average Income Apr - Jun 2013	Weekly Average Income Apr - Jun 2014	% change in Average Income Apr - Jun
Teville Gate	251	190	-24%	£617	£659	7%
Beach House East	410	617	50%	£886	£1,606	81%
Beach House West	746	844	13%	£2,070	£2,218	7%
Lyndhurst Road East	721	856	19%	£1,782	£1,971	11%
Lyndhurst Road West	381	576	51%	£1,163	£1,289	11%
High Street Surface	529	487	-8%	£1,375	£1,340	-3%
Marine Crescent	18	0		£25	£37	48%
Brooklands Western Rd	478	569	19%	£756	£872	15%
Brooklands East	36	0		£42	£85	102%
Brooklands West	19	0		£9	£0	
Civic Centre	326	156	-52%	£432	£341	-21%
TOTAL	3915	4294	10%	£9,157	£10,417	14%

Overall, average income across the sites is up by 14% from the same period in the previous year, and usage has increased by 10%. The sites which appear to have lost day customers are High Street Surface, Teville Gate, and Civic Centre. This will be due to displacement to the 3 town centre MSCPs where the prices are now more appealing. It is also worth remembering that Beach House East was closed for part of April last year and Beach House West was enlarged in size; this is reflected in the increases this year.

4.4.5 Overall income in the first three months:

Whilst pay on exit income from the MSCPs is down, as expected, both season ticket income and income from the surface car parks has improved and overall income is much better than anticipated given the original assessment of the impact of the tariff trial.

	April - June 2014		
	Original Budget	Actual	Variance Over (-) / Under
	£	£	£
Income from car parks:			
High Street MSCP	203,213	221,824	-18,611
Buckingham MSCP	74,210	110,491	-36,281
Grafton MSCP	188,790	172,367	16,423
Total income in MSCP (including season tickets)	466,213	504,682	-38,469
Teville gate	12,000	14,907	-2,907
Surface car parks	75,000	128,097	-53,097
Total for Teville gate and surface car parks	87,000	143,004	-56,004
Total income	553,213	647,686	-94,473

5.0 Tariff charges for the period 1st July 2014 – 30th September 2014:

- 5.1 Further to the success of the trial, a report was submitted for the Leader and Cabinet member at the end of the second month. It was compiled at this time to ensure that the necessary legal amendments could be made to the Off-Street Parking Order, in order to prevent the tariffs having to return to the higher rates of March 2014 from 1 July 2014. The Leader and Cabinet Member agreed to extend the current tariff trial for a period of another 3 months. Whilst there were clearly other options (which are listed at Appendix One), given the initial success and popularity of the current charging structure, it was agreed to extend the tariff trial for a further period with the exception of the validation deals with are discussed in more detail below. This further trial will be used to establish whether the initial success can be built on and the use of the car parks can be further increased.
- 5.2 Appendix Two has comparative information from other car parks in nearby towns. This is provided to assist Members in comparing the Worthing car park tariffs to other towns close by.
- 5.3 There are no proposals at the moment to change the surface car park charging structure but to continue to assess the impact that the changes within the MSCPs are having. A further JSC Report will be provided to consider this in September 2014.
- 5.4 Validation deals

Appendix Three shows an analysis of the current validation deal customer numbers against the former validation deal customer numbers from prior to 1 April 2014. As this shows, it is anticipated that the Council will increase revenue from these deals by £27,030 per month on top of the revenue formerly made by NCP Limited if all customers return to the MSCPs that formerly bought the NCP validation deals at a rate of £3.50 per day, by reducing the current £5.00 per day tariff to £4.00 per day.

Initial discussions with 'lost' customers show that they would be happy to return to the MSCPs and buy validation deals at the £4.00 per day rate.

- 5.5 The public and business perception of the tariff trial has been wholly positive. Footfall in the town centre has increased and one business has reported a monthly turnover increase of 80%. Sharon Clarke, Town Centre Manager, stated the following:

"The businesses in the town are all very pleased with the Councils reduction in parking charges and they are telling us their customers are staying in town longer and coming in more often. Nationally footfall in Town Centres is on the decline but in Worthing the number of shoppers is increasing which is great for the businesses trading in Worthing."

- 5.5 *Based on the above data, it is recommended that Members note the Leader and Cabinet Member for the Environment decision to adopt a further 3 month tariff trial period, in order to continue to improve the use of the car parks and encourage visitors to the town to promote the local economy.*

6.0 Legal

- 6.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 6.2 Section 1 Localism Act 2011 enables the Councils to do anything that any individual may do, provided that it is not prohibited by pre-existing legislation, for the benefit of the residents of its area, or otherwise, and for charge, or otherwise. This statutory provision enables the Councils to own and manage car parks and impose charges for their use.

7.0 Financial implications

- 7.1 It is likely that the cost of continuing this tariff trial can be accommodated within the original £118,700 released from reserves, should usage and income reduce to the original estimated levels. In addition, the budget is being tightly controlled to make sure that any potential cost will be met from the overall budget and approved reserve use.
- 7.2 The tariff reduction is already attracting more customers into the Multi-Storey car parks who were previously parking on-street.
- 7.3 It is proposed to report back to the Cabinet Member and Joint Strategic Committee in early September to consider the future of the tariffs for the car parks. The early indications are that the proposed reduction has been cost neutral to the overall car park budget. However, if there is a negative budgetary impact as a result of the tariff reduction going forward then the Council would need to make equivalent savings in the following year to fund the consequences of a permanent change to the car park charges.

7.0 Conclusion

- 7.1 The Council believes that the former pricing structure drove custom out of the car parks and onto the streets and the surface car parks. By reducing the tariffs, customer numbers are increasing in the MSCPs and town centre footfall has risen.
- 7.2 Clearly there are financial risks in maintaining the tariffs in this way and so the initiative will continue to be closely monitored to see what impact the tariff reduction is having.
- 7.3 Our ideal parking service for Worthing is one which provides a service which is transparent, easily understood, easily recognisable, easily contactable, providing value for money services, meeting transport policies, effectively enforced, balanced with regards to risk and control and generating valuable income for the Councils.
- 7.2 By committing to an extension of the tariff trial in Worthing Off-Street parking charges, the Council is responding to stakeholder wishes. By balancing this with a limit on the reduction in income, Members are protecting public funds and Council services as much as possible. Officers believe that the recommendations in this report meet this as best as possible.

8.0 Recommendation

8.1 Members are recommended to:

- (i) note the decision by the Leader and Cabinet Member for the Environment to continue with the tariff trial for a further 3 months;**
- (ii) authorise Officers to report back to the Leader and Cabinet Member for Environment on the results of the tariff changes on a monthly basis with an additional report going to the Joint Strategic Committee on 2nd September.**

Local Government Act 1972

30 May 2014

Contact Officers:

Mandy Ainsworth
Parking Services Manager
01903 221089
mandy.ainsworth@adur-worthing.gov.uk

Schedule of other matters

1.0 Council Priority

1.1 This review meets the Council's Priorities of 'protecting front line services', 'promoting a clean, green and sustainable environment', 'supporting and improving the local economy' and 'ensuring value for money and low Council Tax'.

2.0 Specific Action Plans

2.1 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 There are various reputational risks with such a contentious service.

8.0 Consultations

8.1 The Overview and Scrutiny has reviewed and had input to this process for the initial 3 month tariff trial.

9.0 Risk assessment

9.1 Any areas of risk are identified within the attached report.

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 Matter considered and no issues identified.

3 month comparison of existing tariffs and other options for High Street, Grafton and Buckingham Multi-Storey car parks

Chargeable Hrs	Existing Tariffs	Option 1 – continue with tariff trial	Option 2	Option 3	Option 4	NCP tariffs
30 mins						£0.90
1 hr	£1	£1	£1.10	£1.20	£1.50	£1.70
90 mins						£2.60
2 hrs	£2	£2	£2.20	£2.40	£3.00	£3.40
3 hrs	£3	£3	£3.30	£3.60	£4.50	£5.00
4 hrs	£4	£4	£4.40	£4.80	£6.00	£6.60
5 hrs	£5	£5	£5.50	£6.00	£7.50	£8.20
All day	£10	£10	£11	£11	£12	£11
Night rate 6pm-6am	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3
Sunday 6am-6pm	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3
Impact of Tariff Change (Loss)/Gain from the same period in previous year under NCP Limited's control		(£142,479)	(£113,347)	(£98,917)	(£36,335)	

Car Park Charges Comparison 2013

Car Park	Hours						Notes
	1	2	3	4	5	5+	
Worthing MSCPs (maximum)	£1.00	£2.00	£3.00	£4.00	£5.00	£10.00	Overnight and Sundays = £3.00 max
Worthing Surface (minimum)	£0.50	£1.00	£1.50	£2.00	n/a	n/a	Teville Gate MSCP - £3 all day Mon to Fri but £1.50 all day Sat and Sun
Union Place and Montague Centre	£1.00	£2.00	£3.00	£6.00	£6.00	£7.70	Privately owned by NCP, 12 hours = £9.00
Chichester MSCP	£0.70	£1.50	£2.10	£2.80	£3.60	£4.00	8 hours = £4.20 / 8 hours+ = £5.40
Chichester – short stay	£1.20	£2.40	£3.60	£6.00	£7.10	£8.20	8 hours = £8.40 / 8 hours+ = £11.90
Chichester – long stay	£0.70	£1.50	£2.10	£2.80	£3.60	£4.00	8 hours = £4.20 / 8 hours+ = £4.60
Crawley County Mall MSCP	£2.50	£2.50	£3.00	£3.50	£5.00	£5.00	Privately owned
Crawley Boulevard East and West	£3.10	£3.10	£5.10	£5.10	£15.10	£15.10	Privately owned by NCP
Crawley Borough Council Town Hall MSCP	£0.80	£1.80	£2.00	£3.10	£3.60	£4.10	7 hours+ = £5.10
Horsham – Swan Walk	£2.40	£2.40	£3.60	£4.80	£6.00	£7.20	8 hours = £8.40, and 8 hours+ = £12
Horsham – Forum, Blackhorse Way	£1.60	£1.60	£2.30	£3.00	£3.80	£4.50	8 hours = £6.00, and 8 hours+ = £7.50
East Green, Littlehampton	£2.00	£4.00	£4.00	£4.00	£7.00	£7.00	Charges apply March to October

Car Park Charges Comparison 2013

Car Park	Hours						Notes
	1	2	3	4	5	6+	
Manor House, Littlehampton	£0.70	£1.40	£2.10	£2.80	£6.50	£6.50	Charges apply 0800 to 1800 every day
Brighton Regency Square (weekends)	£3.00	£7.00	£7.00	£14.00	£14.00	£14.00	9 hours = £18.00 / 24 hours =£22.00 / Overnight = £10.00
Brighton The Lanes (weekdays)	£1.00	£5.00	£5.00	£13.00	£13.00	£13.00	9 hours = £20, and 24 hours = £23
Brighton The Lanes (weekends)	£4.00	£8.00	£8.00	£15.00	£15.00	£15.00	9 hours = £20, and 24 hours = £25
Brighton King's Road	£3.50	£6.00	£6.00	£10.00	£10.00	£10.00	11 hours+ = £20.00

Validation deal assessment data

MSCP	Number of validation deal customers 2013	Number of validation deal customers 2014	Average NCP revenue at a cost of £3.50 per day 2013	Average WBC revenue at a cost of £5 per day 2014	Possible WBC revenue at a cost of £4 per day if all customers return
High Street	591	408	£2,068.50	£2,040.00	£2,364.00
Grafton	280	145	£980.00	£725.00	£1,120.00
Buckingham Road	63	14	£220.50	£70.00	£252.00
TOTAL	934	567	£3,269.00	£2,835.00	£3,736.00

MSCP	Current possible monthly loss of revenue based on 30 day month (NCP former – WBC current income)	Possible monthly gain in revenue if all customers return at £4 per day (WBC possible – NCP former income)
High Street	(£855.00)	£9,720.00
Grafton	(£7,650.00)	£11,850.00
Buckingham Road	(£4,515.00)	£5,460.00
TOTAL	(£13,020.00)	£27,030.00

Worthing Planning Policy Review – Housing

Report by the Director for the Economy

1.0 Summary

- 1.1 Changes to the planning system at the national level have had a significant impact on how local authorities need to plan for housing. This Paper explains these changes and the implications for Worthing. It provides a brief summary of the previous system, the requirements of the new system and how this is likely to influence future Plan making in Worthing.
- 1.2 The report concludes by setting out the next steps proposed and recommends to Members that work commences on a full review of the existing Worthing Core Strategy and the development of a new Local Plan.

2.0 Background

- 2.1 When coming to power, the Coalition Government aimed to reform the planning system to make it less complex and more accessible whilst at the same time seeking to protect the environment and promote sustainable growth. A key issue for the incoming Government was to remove the 'top down' approach to housing numbers and to enable decisions to be taken at local level. The National Planning Policy Framework (NPPF), which was published in March 2012, was designed to play a key role in this change as it consolidated a set of national priorities and objectives that must be considered when planning for and deciding on new development. Whilst it establishes a presumption in favour of sustainable development it also aims to strengthen local decision making and reinforce the importance of up-to-date plans.
- 2.2 The current adopted Development Plan for Worthing is the Worthing Core Strategy and this was intended to cover the period to 2026. However, whilst this was adopted relatively recently in 2011, this was prior to the publication of the NPPF which is now a material consideration at the local level. The new requirements of the NPPF have had a significant impact on planning at the local level, in particular how local planning authorities need to plan for housing. This has, in effect, meant that all local authorities that have an adopted Plan in place now need to reassess their planning policy framework to consider whether a review is required so that local policies remain in broad conformity with high level plans and guidance.
- 2.3 The review for Worthing, which is summarised in this report, is currently being undertaken. Prior to any consideration of the next steps there is a need to explain the current context and the likely implications for Worthing. As such, the next two sections of the report summarise the Pre-NPPF position (which was the position

when the Council adopted its Core Strategy) and the situation now that the new planning system is in place.

3.0 Pre-National Planning Policy Framework

3.1 Prior to the adoption of the NPPF a hierarchy of Plans and Guidance was in place. This was made up by the following:

- Statements of the Government's national policy and principles towards certain aspects of planning were set out in Planning Policy Guidance Notes (PPGs) and Planning Policy Statements (PPSs). These were a material consideration in the determination of planning applications and the preparation of regional and local plans.
- At the regional level the planning framework was established within Regional Spatial Strategies (RSS). For Worthing, the relevant RSS was the South East Plan which established a spatial vision for the region which included the setting of housing figures for districts / boroughs to take forward in their Local Development Frameworks (LDF). The RSS was designed to help to bridge the gap between planning issues determined by local policy or concern, and those subject to policy goals defined at a national level as well as address cross boundary issues.
- As part of the LDF, local authorities such as Worthing then had to prepare Local Development Documents which were to be consistent with the South East Plan. The key document in this process was the Core Strategy (another name for a Local Plan) which identified specific locations for development to meet the needs identified by the regional plan.

3.2 After a number of years of preparation and an independent Examination, Worthing Borough Council adopted its Core Strategy in April 2011. Many local authorities around the country were unable to progress a Plan to adoption at that time and Worthing Borough Council was the only authority along the Sussex coast to successfully adopt its Core Strategy. The intention was that this adopted Plan would help guide planning and development in the Borough up to 2026 and that it would provide the context for all subsequent Local Development Documents.

3.3 With regards to housing, the Core Strategy sought to deliver a total of 4,000 dwellings to 2026 (200 dwellings/year) which was the requirement set for the Borough within the South East Plan. This was a figure that took into account the lack of opportunities for any more significant growth in and around Worthing and, as such, the key focus of the local strategy was regeneration. There was never any suggestion that this was a level of development would meet all of Worthing's housing needs and other authorities, such as Mid Sussex, were identified in the South East Plan as areas that could deliver higher levels of growth to help meet the needs of the wider region.

3.4 Without any significant change to the planning system the Council would have continued to deliver the aims of the Core Strategy. This objective would have been aided by the preparation of Development Briefs and Supplementary Planning Documents (SPDs) – some of which have now been adopted. Key objectives would be monitored and in the short to medium term a full review of the Core Strategy

would have only been required if there was any consistent under delivery of housing and/or there were any significant changes made to the planning system at the regional or national level.

- 3.5 Through the Annual Monitoring Report (AMR) the Council has been able to demonstrate that against the requirements of the Core Strategy the Borough has met (and often surpassed) the 200 dwelling a year requirement. Furthermore, in line with this local policy position the Council is able to demonstrate a very strong housing land supply position over the next ten years. Therefore, under the previous planning system there would be no current need to review the Council's adopted Core Strategy or review the housing delivery strategy as a result of under delivery. However, as outlined below, the significant changes made to the planning system, in particular, how each authority must now assess its housing needs, means that a full review of the local policy position is now required.

4.0 The NPPF and the New Planning System

- 4.1 On coming to power the Coalition Government announced a full review of the planning system. It was argued that the previous system was too inflexible and difficult to change in a timely manner and a streamlined, more user-friendly planning system was proposed. The Government was also critical of the regional planning process in that it was viewed as being part of a 'top-down' planning system that imposed housing numbers on local communities.
- 4.2 As a result, in 2010 the Government announced the abolition of Regional Strategies and as a consequence the South East Plan was formally revoked in March 2013. Strategic planning now became the responsibility of unitary, district or borough councils who are now expected to address strategic issues in Local Plans and demonstrate how this has been managed through the 'Duty to Co-operate' requirement. Local planning authorities are expected to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination.
- 4.3 In a radical step to simplify the planning system the National Planning Policy Framework (NPPF) was published by the Department of Communities and Local Government in March 2012. This consolidated the majority of policy statements, circulars and guidance documents into a single 65 page document. More recently the Government has also published on-line National Planning Practice Guidance (NPPG) which replaced circulars and guidance documents. The NPPG supports the principles established in the NPPF. As explained below, the NPPF and the NPPG now provide the relevant national policy context and guidance in respect of assessing future housing needs.

5.0 Current Policy Context to Assessing Housing Development Needs

National Planning Policy Framework (NPPF)

- 5.1 The NPPF sets a presumption in favour of sustainable development whereby Local Plans should now seek to meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.

- 5.2 In terms of housing, paragraph 47 states that local planning authorities should use their evidence base to ensure that their Local Plan meets full Objectively Assessed Needs (OAN) for market and affordable housing in the housing market area, as far as is consistent with the Framework to do so.
- 5.3 Paragraph 159 of the Framework highlights the need for local planning authorities to have a clear understanding of housing needs in their area, with the Strategic Housing Market Assessment (SHMA) being a key part of the evidence base in determining housing needs. The Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:
- Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.

National Planning Practice Guidance (NPPG)

- 5.4 Planning Practice Guidance, issued by Government in March 2014, includes a section on '*Housing and Economic Development Needs Assessments*.' This provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing.
- 5.5 The Guidance reiterates that the assessment of need should be objective and based on unbiased evidence. In particular, it sets out that assessments should be based on future scenarios that could be reasonably expected to occur but should not take account of supply-side factors or development constraints.
- 5.6 In terms of housing, the guidance identifies "need" as "the scale and mix of housing and the range of tenures that are likely to be needed in the housing market area over the plan period. This should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this "need."
- 5.7 It is accepted that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment. However, guidance does now set out a relatively clear pathway and process for assessing need. Further detail on this process can be found within the 'Assessment of Housing Development Needs Study April 2014' which is published by consultants GL Hearn, and is available to view on the Council's website. This work was commissioned jointly by authorities that make up Coastal West Sussex, Brighton & Hove CC and the South Downs National Park Authority.

6.0 Housing Need in Worthing and the Implications for Plan Making

- 6.1 In many respects, Worthing Borough Council now finds itself firmly between the 'old' and 'new' planning systems. A recently adopted Core Strategy is in place but as this was adopted before the emergence of the new planning system there is a need to assess its broad conformity.
- 6.2 A conformity assessment was undertaken by Council Officers in 2012 and this concluded that in many respects the policies in the Core Strategy were in general conformity with the NPPF. However, it was also acknowledged that the housing requirements for the Borough were likely to be subject to significant change under the new system and that, as evidence emerged, this ultimately may necessitate a review of the Plan.
- 6.3 In simple terms the housing review work can be broken down into two key elements:
- i) Demand (Strategic Housing Market Assessment - SHMA)
 - ii) Supply (Strategic Housing Land Availability Assessment – SHLAA)

Strategic Housing Market Assessment (SHMA) and associated studies

- 6.4 A Strategic Housing Market Assessment (SHMA) provides an assessment of both housing need and demand. It considers the scale and mix of housing needed over the longer-term, both market and affordable, taking account of population and demographic dynamics and the housing needs of different groups within the local community.
- 6.5 The latest Coastal West Sussex SHMA (2012) was prepared by consultants on behalf of the local authorities of Adur, Arun, Chichester and Worthing together with the South Downs National Park Authority. It followed the Government's Practice Guidance and responded to the requirements of the NPPF.
- 6.6 Linked to the SHMA update, a Housing Duty to Co-operate Study 2013 was progressed to examine the housing requirements of authorities within the housing sub-market area (Adur, Arun, Brighton & Hove, Chichester, Lewes, Worthing and the South Downs National Park Authority). This considered land supply and constraints to development in order to assess the appropriate balance between potential supply and demand for market and affordable housing at a district, and Housing Market Area level. This study concluded that, due to constraints, housing delivery was likely to fall at least 20% below objectively assessed needs in the sub region.
- 6.7 Informed by an updated set of demographic projections and new Government guidance a further 'Assessment of Housing Development Needs Study (April 2014) for the Sussex Coast Housing Market Area has been published. The study concludes that a range from 500 to 600 homes per annum would represent a robust objective housing need (OAN) for Worthing. This range of housing need is clearly significantly higher than the 200 dwelling per annum requirement currently being planned for within the adopted Core Strategy.

- 6.8 Collectively, the work referred to above is starting to build an understanding as to what the objectively assessed housing needs for Worthing are. However, to better aid this understanding of 'need' Officers are of the view that a more bespoke study for Worthing is required. This will address in more detail how this 'need' is derived and how this relates to demographic change, migration and economic growth etc.
- 6.9 As such, a further piece of work is to be commissioned that will also be able to take into account the latest release of population data and projections which were published in June. The Council will therefore have an even clearer understanding of 'need' by early autumn.

Strategic Housing Land Availability Assessment (SHLAA)

- 6.10 The second side of the 'housing coin' is the capacity of the Borough to meet the identified need. The key tool in achieving this understanding is the Strategic Housing Land Availability Assessment (SHLAA) which all Councils are required to publish.
- 6.11 The primary role of the SHLAA is to identify sites with the potential for housing and consider if and when they are likely to be developed. The completed study forms part of the evidence base for Local Plan preparation and is also the starting point for the annual monitoring of housing land availability.
- 6.12 It is important to note that the SHLAA is a technical study and not a policy document. Decisions on which sites should be brought forward for development will be determined through Local Development Framework and Development Management processes.
- 6.13 The first Worthing SHLAA was published in 2009 following a comprehensive review of all development opportunities in the Borough. That assessment was scrutinised during the Core Strategy Examination and it has since been reviewed and updated regularly through the Annual Monitoring Report.
- 6.14 Although the document has been kept up-to-date it was considered appropriate to undertake a more thorough review following the changes to the planning guidance at the national level and the publication of other updated housing studies at the local level. As such, a full review of the SHLAA is currently being progressed and this involves a re-assessment of all existing sites and the identification of new opportunities. This process has partly been informed by a further 'call for sites'.
- 6.15 The first stage of the SHLAA review has been the assessment of all sites located within the current built up area boundary. These sites, which are predominantly previously developed, generally represent the more sustainable development opportunities. Following an assessment of all existing and newly identified opportunities the Council published an initial review of these sites for consultation between April and May 2014.
- 6.16 Officers are currently considering the responses received during the recent consultation and taking into account other policy considerations. A report on the conclusions reached on each site will be prepared in the summer. The report will also incorporate an allowance for windfall developments on smaller sites which are not identified within the SHLAA. As such, the Council will soon have a good

understanding of what capacity the existing built up area of the town has to meet the housing needs of the Borough.

- 6.17 The sites identified as having good potential to deliver housing within the existing built up area of the town could in theory come forward without there being a need to update or review the Core Strategy/Local Plan. However, whilst further work to assess the objectively assessed housing needs for Worthing is being progressed, initial projections have shown that housing need for Worthing is very significant. In fact, it is already very apparent that it would not be possible to meet this level of demand within the existing built up area. As such, consideration will need to be given as to what potential there is for greenfield opportunities around the town to help meet housing needs and these should be properly assessed through the Local Plan process, allowing for consultation and community input.
- 6.18 Given the tightly drawn Borough boundary, sensitive gaps between settlements and the considerable constraints of the sea to the south and the South Downs National Park to the north there are very few development opportunities outside the current built up area. All of the realistic options have been promoted by landowners/developers during the 'call for sites' (as they were during the equivalent stage in 2008/09). This amounts to 7 or 8 sites ranging from a single field to significant areas of land to the west of the town.
- 6.19 Whilst these sites were assessed previously they were not scrutinised in any great detail as the Council was able to demonstrate to the Core Strategy Inspector that the Borough's needs (as identified in South East Plan) could be met within the existing boundary of the town and with one strategic greenfield allocation at West Durrington. In this regard, the key difference now is that the higher levels of 'need' (South East Plan vs Objectively Assessed Need) means that all opportunities that lie outside the current built-up area boundary need to be assessed more rigorously. This process is explained in more detail in Section 8 below.
- 6.20 The planned delivery of additional greenfield housing sites would require their allocation within a Development Plan Document. This process would also need to address the need for subsequent amendments that might be required to the current built-up area boundary. Options available to the Council are discussed in the following section.

7.0 Summary of Current Position and the need for a Plan review

- 7.1 This report has provided an overview of changes made to the planning system at the national level and how this is impacting on the way Worthing needs to assess and plan for housing need at the local level. The previous hierarchy of plans has gone and the NPPF has now bedded in. As such, the housing delivery strategies set out in Development Plans, such as Worthing's, that were adopted pre-NPPF, are in many respects now out of date. More recent evidence of housing need will, in many cases, increase the development pressure on potential development sites in and around the town.
- 7.2 The key change is the need now for local planning authorities to ensure that their Local Plan seeks to meet Objectively Assessed Need (OAN). This process, in many respects, supersedes the housing targets that were established in the South

East Plan which was then the housing level planned for within the Worthing Core Strategy.

- 7.3 Guidance is clear in that a full plan review is required if the existing Development Plan (Core Strategy) is not in general conformity with the NPPF, and in particular, if it does not seek to meet objectively assessed housing needs. The Planning Advisory Service (PAS) recommends that a local planning authority should start to review its Core Strategy if, as a result of an updated SHMA, there is an increase in the housing number. This will be particularly the case for authorities such as Worthing where the Core Strategy was adopted pre-NPPF and where emerging evidence is showing that the Council's objectively assessed housing needs are much greater than that being planned for in the Core Strategy.
- 7.4 An effective way of illustrating the current position in Worthing is that the Annual Monitoring Report (AMR) for 2012/13 reports housing delivery in Worthing against the 200 dwelling per year requirement established in the Core Strategy. However, the expectation is that the next AMR for 2013/14 will report against both this figure and the emerging OAN figure. The OAN figure will be significantly higher than the 200 dwelling per year currently planned for. It is this 'shortfall' (between the OAN figure and the current housing land supply position) which will influence the future timetable for Plan making in Worthing.
- 7.5 'Doing nothing' is not a practical option as this could potentially result in speculative applications for development and without an 'up-to-date' Plan in place and a 5 year supply of housing land the Council could lose a level of control as to how these are determined. Although there was a formal period of transition after the adoption of the NPPF this has now ended. As a result, Inspectors are giving policies in the NPPF full weight at appeal hearings and in many instances these override the local policy position if this is not in full conformity with the NPPF. This is due to the fact that the Worthing Core Strategy may be afforded only limited weight based on paragraphs 14 and 215 of the NPPF. In this regard, a recent appeal decision in Sevenoaks is very relevant to Worthing.
- 7.6 The Sevenoaks Core Strategy was adopted prior to the NPPF, at a similar time to Worthing's. Applications for an edge of settlement greenfield development were submitted to the Council which refused planning permission as it was argued that this was contrary to its adopted Core Strategy. The applicants then appealed this decision. At the appeal, neither party disputed that the Council had identified a five-year supply of housing as set out in their strategy (this would also be the case in Worthing). However, the Inspector found that there was a clear difference between the approaches to forming housing targets in the Core Strategy and that now required in the NPPF. As such, the approaches that informed the Core Strategy were not considered to be up-to-date. As a consequence, the applications for a total of 140 dwellings on a greenfield site were granted.
- 7.7 This is the first recorded decision where a Plan that had been adopted relatively recently has been 'trumped' by the requirements of the NPPF and, as such, this has implications for all plans that were adopted pre-NPPF, even if they are only a few years old. A planning commentator stated that *this decision would be of particular concern for many councils in the south east where housing targets enshrined in Core Strategies are often significantly below objectively assessed need due to the*

fact that the now abolished regional strategic plans concentrated growth on a handful of key areas'.

- 7.8 Whilst the message above is clear, it should be noted that the National Planning Policy Guidance, (which was published after the Sevenoaks decision) indicates that for, five-year land supply purposes, targets in adopted plans should be given considerable weight unless significant new evidence comes to light. For Worthing, the emerging work to assess the Borough's objectively assessed housing needs would be considered to be 'significant new evidence'. It is therefore increasingly clear that a full review of the current Development Plan (Core Strategy) is required.
- 7.9 Although there have been significant changes to planning legislation the Local Plan (Core Strategy) remains at the heart of the planning system which is still plan-led. An adopted and up-to-date Local Plan will continue to be the main consideration in decision making, along with the NPPF and the presumption in favour of sustainable development. This presumption means that the default response to a proposal is 'yes' unless the adverse impacts would significantly and demonstrably outweigh the benefits. The presumption applies in all cases where the current Local Plan is absent, silent, indeterminate or out of date. This emphasises the importance of having an up-to-date plan in place to enable the Council to influence and direct where development should be located.
- 7.10 As illustrated by the example at Sevenoaks, the lack of an up-to-date Development Plan and the significant housing shortfall could therefore, in effect, make sites more vulnerable to speculative applications from developers/landowners. The 'presumption' explained above means that any development proposal that conforms to national policy is likely to be acceptable, regardless of any previous position of the Council. The Council may therefore find it difficult to justify and defend decisions to refuse planning permission in some instances when there is a strong chance of decisions being overturned at appeal.
- 7.11 Furthermore, not having an up-to-date Plan in place would send the wrong message to the community, businesses and potential investment opportunities. Not only is there a statutory duty on the Council to produce a Local Plan but failure to do so could impact on a number of this Council's priorities including economic and social regeneration as well as the delivery of affordable housing. The Council needs to ensure that it has a clear strategy to manage and co-ordinate development, attract inward investment and secure improvements to infrastructure.
- 7.12 In addition, it should be noted that the existing Core Strategy was drafted at a time when a hierarchy of Plans was in place. In line with prevailing guidance, the Core Strategy did not duplicate policies that were included in higher level Plans (e.g. the South East Plan). Whilst this was a sensible approach to follow at the time, the loss of many policies at a higher level now leaves a partial policy vacuum. The drafting of a new Local Plan for Worthing would help to address this concern by providing a comprehensive suite of local policies within one document. Unlike the previous system, the NPPF expects that in most cases one overall local plan will be produced that takes into account the three pillars of sustainable development – economic, environmental and social.

- 7.13 To ensure that the Council is able to retain a level of local control over developments it is vital that the Council has an up-to-date Development Plan in place that conforms to the NPPF.
- 7.14 Given the fact that the Worthing Core Strategy has been adopted relatively recently Officers did consider whether a partial review to address housing issues and NPPF compliance could be appropriate and whether this would offer time/resource savings. Whilst this may indeed have been a sensible and pragmatic solution pre-NPPF this is no longer the case. Under the current system it is considered that there would be significant risk in attempting to do undertake only a partial review for Worthing as housing policies are very closely linked to the overall plan strategy. Changing housing policies inevitably leads to consequential impacts on other parts of the plan and as a result, authorities in a similar position to Worthing have been advised to undertake a full review.
- 7.15 In conclusion, it is therefore considered that the only option available to the Council is to undertake a full review of the Core Strategy which would be advanced as a Local Plan.

8.0 Next Steps

Local Plan

- 8.1 The timetable for the preparation of Development Plan Documents, including a Local Plan, is established within a Local Development Scheme (LDS). The LDS is a public statement which sets out a three year management plan for the Planning Policy Team. The current Worthing LDS was published in 2012 following the adoption of the Council's Core Strategy in 2011. As such, the key aims of that LDS were to support the vision, strategic objectives and policies established in the Core Strategy. This was to be largely addressed through the progression of thematic SPDs, a number of which have now been adopted.
- 8.2 For the reasons set in this report the current LDS is now largely out of date and needs revision to incorporate the changes to the planning system and the clear need for a full review of the Core Strategy. As such, a revised LDS will be prepared for Members consideration in the autumn and this will include a timetable for the progression and adoption of a new Local Plan for the Borough. Whilst the exact timetable will be assessed in the coming weeks, it should be noted that the preparation of a new Plan is not a quick process. Given the statutory requirements and the need to consult widely at each appropriate stage it is estimated that it may take between two to three years to get a new Local Plan in place.

Review of development opportunities on greenfield sites

- 8.3 As previously explained, the preparation of a new Local Plan for Worthing must seek to meet objectively assessed housing needs unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.
- 8.4 Although the first stage of the SHLAA review has yet to be finalised it is clearly apparent that there will not be the capacity within the existing built-up area to meet the very significant levels of housing need identified in recent studies. As such,

when preparing the new Local Plan, the Council will need to give careful consideration to the potential allocation of additional greenfield sites to help meet development needs.

8.5 The need to test positively all opportunities has been made very clear at recent Local Plan Examinations, none more so that at Brighton which has a number of similarities with Worthing. Following an Examination in Public the City Plan Inspector wrote to Brighton & Hove City Council to set out her initial conclusions and raise a number of significant soundness concerns, the most relevant of which are summarised below:

- On housing supply - *'I recognise that there are significant constraints to providing land for development, and that there are competing priorities for any land which may be available. However, given the shortfall in meeting housing needs, it is important that the Council rigorously assesses all opportunities to meet that need.'*
- On urban fringe sites – *'The overall impression given is that the starting point for analysis has been the desire to resist development, which is at odds with the NPPF's requirement that the plan should be positively prepared.'*
- Overall conclusions – *'The Plan falls well short of meeting the objectively assessed need for new housing.....and there is no evidence to show that any of the unmet need will be met elsewhere. I recognise the constraints faced by the Council but if I am to find the Plan sound, notwithstanding such a significant shortfall in the provision of new housing, I would need to be satisfied that the Council has left no stone unturned in seeking to meet as much of this need as possible.'*

8.6 The message above is clear in that to be found 'sound' a new Local Plan for Worthing must seek to meet as much of the identified housing need as possible. To do this, all opportunities must be assessed 'positively' and should then be promoted for development if they are considered to be suitable, available and achievable. An explanation of this process, and a list of the greenfield sites to be assessed, will be set out within the SHLAA report to be published after the summer.

8.7 Whilst there is significant pressure to release land for housing this will need to be balanced against the needs of other land uses, environmental considerations and the capacity of existing/new infrastructure to accommodate further growth. Whilst there is a strong presumption in favour of sustainable development in the NPPF this is not to the extent that sites cannot be protected if strong evidence can be provided to demonstrate why development would not be appropriate or sustainable.

8.8 Given the changes to how Worthing must plan for housing, linked to the Government's growth agenda, it is no surprise that landowners/developers are (as they have done before) actively promoting their sites for development. At this stage, the indication is that they are happy to promote their sites through the Plan-making process providing that the Council continues to be proactive in undertaking a housing/Plan review.

8.9 A review of the Local Plan will allow the Council to retain a level of local control and management of development. Any new greenfield site allocations that currently lie

outside the current built-up area boundary would need to be allocated through the Local Plan which would be subject to a number of public consultation exercises.

- 8.10 During the preparation of a new Plan the Council will need to continue to facilitate the delivery of sustainable housing developments that will go some way to help meet the identified housing needs. In doing so, consideration could be given to whether any greenfield development sites that currently lie within the built-up area boundary might be brought forward in advance of the adoption of a new Plan.

Duty to Co-operate

- 8.11 Whilst the development potential of every opportunity in and around Worthing will be tested there is still no realistic or sustainable prospect of ever being able to identify sufficient housing sites to completely meet objectively assessed housing need. Even if every realistic opportunity were to be developed the lack of available land and other constraints will mean that there would still be a significant shortfall.
- 8.12 As a consequence, and in line with Government requirements, neighbouring authorities and sub-regions will need to assess the potential in their areas to meet housing needs that cannot be met elsewhere. This is particularly important for very constrained authorities such as Worthing.
- 8.13 The need to work closely with neighbouring authorities and other key partners has always been embedded in Plan-making across the sub-region and was included within the South East Plan. Whilst this remains the case, the Duty to Co-operate now formalises, and places greater emphasis on, the process of Councils and other public bodies working together on cross-boundary strategic issues. This will be a difficult task given the levels of need, political sensitivities, infrastructure constraints and land availability. However, when the Plan is Examined a key test of deliverability and soundness will be whether the growth needs in a strategic cross-boundary context have been taken fully into account.
- 8.14 To help meet the on-going requirement of the Duty to Co-operate, a number of joint studies have been progressed and mechanisms have been put in place to formalise this dialogue and facilitate joint working. These processes, which include the signing of a 'Memorandum of Understanding' and an 'Agreement for Joint Working' are summarised within the Council's Annual Monitoring Report. Joint work to address the 'Duty' has been highlighted as 'best practice' and the Strategic Planning and Investment Framework for Coastal West Sussex and Greater Brighton has recently won a national planning award. It is important that this cross boundary working continues to try and address current and future housing needs across the county and housing market areas.

9.0 Timetable Summary

- 9.1 As summarised, the Council will have a clear and robust understanding of housing needs by the end of the summer. At the same time, with the publication of the SHLAA review, there will also be a clear picture of what potential/capacity there is for further development within the current built-up area boundary.
- 9.2 Whilst this work is on-going, it is already clear that as there will be a significant 'shortfall' between need and capacity there is a need to assess greenfield sites

around the town. This work is continuing and a robust and ‘positive’ assessment will be undertaken for all potential sites. The future allocation or protection of land through the Local Plan review will need to be based on strong evidence.

- 9.3 Given the high levels of housing need and the lack of opportunity to meet that need within what is a very constrained Borough, the Council will need to continue to address Duty to Co-operate issues with neighbouring authorities to assess whether there is any opportunity for those authority areas to accept a level of Worthing’s needs or whether a more strategic solution might be appropriate for addressing needs across the sub-region.
- 9.4 As outlined above, the key steps for the housing review and beyond are as follows:

Sep 2014	Publication of the first stage SHLAA report. This will demonstrate the capacity of the existing built-up area to accommodate new residential development. The latter part of report will include a summary of all greenfield opportunities.
Sep 2014	Publication of detailed Objectively Assessed Housing Needs Study for Worthing.
Oct 2014	Member workshop to: <ul style="list-style-type: none"> • Provide understanding of context • Explain local housing needs • Demonstrate capacity within BUA • Introduce greenfield site opportunities • Explain the timetable for a Full Plan review
Oct 2014	Adopt Revised Local Development Scheme (LDS) to incorporate a full Plan Review.
2014 – 2016/17	Preparation of a new Local Plan (detailed timetable to be established within the LDS in the autumn.

10.0 Legal

- 10.1 Any new Development Plan for Worthing will be prepared in accordance with the Planning and Compulsory Purchase Act 2004, the Town and Country Planning (Local Planning) (England) Regulations 2012, the Localism Act 2011, the National Planning Policy Framework 2012 and having regard to the National Planning Policy Guidance 2014.

11.0 Financial implications

- 11.1 The production of a new Local Plan, including associated consultation and the commissioning of appropriate studies, is to be funded by the existing Planning Policy budget. This may need reviewing in future years depending on workload and the emerging LDS.

12.0 Recommendation

- 12.1 Members are asked to note the changes to the planning system and the implications that this has had on the timetable for Plan-making in Worthing.**
- 12.2 As a consequence of these changes it is recommended to Members that work commences on a full review of the existing Worthing Core Strategy and the development of a new Local Plan for the Borough.**
- 12.3 The detailed work programme for this review will be established within a revised Local Development Scheme (LDS) to be considered by Members in the autumn.**

Local Government Act 1972

Background Papers:

- Localism Act - 2011
- National Planning Policy Framework - 2012
- National Planning Policy Guidance - 2014
- Worthing Core Strategy - 2011
- Sussex Coast Objectively Assessed Housing Needs Study April - 2014

Contact Officer:

Ian Moody (Principal Planning Officer)
01273 263009
ian.moody@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

- 1.1 A new Local Plan for Worthing would seek 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;
 - Seek to safeguard the Borough's environmental assets.

2.0 Specific Action Plans

- 2.1 Specific Action Plans will be developed as any subsequent review of the Development Plan is advanced.

3.0 Sustainability Issues

- 3.1 The Government requires that the all Development Plan Documents be subject to a formal Sustainability Appraisal. This will be advance alongside any subsequent review of the Development Plan.

4.0 Equality Issues

- 4.1 Any new Local Plan will aim to ensure that all groups in Worthing will have equal access to the opportunities offered by the new Development Plan. An Equalities Impact Assessment report will accompany future versions of the Plan.

5.0 Community Safety issues (Section 17)

- 5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

- 6.1 Matters considered and no issues identified.

7.0 Reputation

- 7.1 Worthing Borough Council was one of only a handful of local authorities in the region that successfully got a Core Strategy adopted. This enhanced the Council's reputation. Changes to legislation now mean that a review is required to ensure that the Local Plan conforms to the NPPF. Any significant period of time without a review being progressed would have a negative impact on the Council's reputation.

8.0 Consultations

- 8.1 All stakeholders will be consulted at every appropriate stage. This will be in-line with statutory requirements and the Council's Statement of Community Involvement.

9.0 Risk assessment

- 9.1 There is a statutory duty on the Council to produce a Local Plan. Failure to do so could impact on a number of this Council's priorities including economic and social

regeneration as well as the delivery of affordable housing. Without an up-to-date Local Plan the Council would lose some of its ability to control development in Worthing.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

11.1 Any work that will need to be commissioned to inform the development of a new Local Plan will comply with the Procurement Strategy.

12.0 Partnership working

12.1 To develop a new Local Plan the Council will work with all neighbouring authorities, particularly Adur DC. The Duty to Co-operate will apply not only to local authorities, but other specific bodies identified by legislation.

Decoy Farm Contaminated Land Survey

Report by the Director for the Economy

1.0 Summary

- 1.1 This report updates Members on a recently completed Contaminated Land Survey undertaken on the Decoy Farm site. The report identifies that the extent of contamination is not significant and it is considered that the site has development potential. As a result of this recent survey, this report requests that further funding is released to undertake additional survey work required to help to bring the site forward for employment uses. The report also updates Members on the recent bid for funding via the Strategic Economic Plan produced by the Local Enterprise Partnership (LEP) in partnership with Local Authorities which sought up to £2.3 million to help pay for the remediation work necessary on the Decoy Farm site.

2.0 Background

- 2.1 As Members are aware, one of the key objectives for bringing Decoy Farm back into use is to create much needed new employment floorspace for Worthing. Members will be aware that Decoy Farm is a site identified in the Core Strategy as an Area of Change (Policy 12). It is a large site extending to 7.7 hectares and includes the former Household Waste Recycling facility. The land was formerly a landfill site and there is evidence of existing contamination. The Core Strategy policy for the site indicates that the site could provide an opportunity to develop a range of uses that could contribute to Worthing's economic growth. In particular the Core Strategy envisages that the site could add to the overall supply of small industrial units as well as provide space for open storage uses that could complement the new County Council household waste facility. One such storage use referred to is the possible relocation of the existing bus depot (Stagecoach) at Marine Parade to help facilitate the redevelopment of this town centre site.
- 2.2 Decoy Farm has also been identified as a possible site to relocate some of the commercial uses at Shoreham Harbour that do not require a waterfront location. The relocation of these commercial uses would help to facilitate the regeneration of the Harbour and help meet future housing requirements for Adur District in its emerging Local Plan.
- 2.3 The Shoreham Harbour Partnership has been actively engaging with businesses located on the Western Harbour Arm to help facilitate relocation and encourage private sector investment into the area. The opportunity for relocation for some of these businesses is limited due to the nature of the uses, the need to remain local and because of the significant costs of redeveloping their existing sites (constraints

such as land contamination and flood defence measures). As a result the Partnership has accepted that the regeneration of the Western Harbour Arm is unlikely to happen without some form of public sector funding or intervention.

- 2.4 There is a shortage of employment land within Worthing and Adur, with limited opportunities to bring forward new employment sites. A number of local businesses have expressed an interest in relocating to the Decoy Farm site. The Councils recently adopted Corporate Priorities stress the importance of promoting and supporting projects that attract new businesses and Decoy Farm, despite its constraints, represents one of the few new employment sites in the Borough. However before detailed discussions can be entered into with prospective businesses wishing to relocate to the site, or to expand existing premises from the west, it is essential that the Council assesses the development potential of the site for employment uses.
- 2.5 In May 2013 two proposals were submitted to the Coastal Communities Fund (CCF), one to help bring forward the regeneration of Shoreham Harbour and the second bid related to the refurbishment of the upper floor of the Guildbourne Centre. The bid submitted by Adur focused on the Western Harbour Arm and sought funding up to £2 million to provide flood defence provision, land remediation at local receptor sites and business relocation to enable the regeneration of the Harbour. Decoy Farm was identified as a potential site to assist with the relocation of certain businesses. The bid was initially successful but Adur did not progress to Stage 2 of the process as that required detailed survey information to have been carried out on the Western Harbour including detailed plans for flood defence, Contaminated Land Surveys and planning permission for a comprehensive flood defence solution.
- 2.6 At its meeting on 7th November 2013, Members considered a report in connection with the Coastal Communities Fund and the potential for pursuing bids for Decoy Farm and the Guildbourne Centre. In connection with Decoy Farm, the report requested funding up to £150,000 to undertake survey work including a Transport Assessment, ecological survey and noise assessments as well as valuation/marketing costs. At the meeting concern was expressed about the overall costs of the additional surveys at a time when the costs of remediation were unknown. It was agreed to re-consider the matter once the results of the further contaminated land survey were known and there was a clearer idea of remediation costs. The contaminated land survey was not completed in time to submit a bid for the last round of CCF for 2014/15. A bid was submitted for Worthing to assist bringing forward Colonnade House as incubator space for creative industries.

3.0 Strategic Economic Plan

- 3.1 In April of this year, the Coast to Capital LEP submitted its Strategic Economic Plan (SEP) which set out the ambition for economic growth across the LEP area along with a range of investment proposals for realising these ambitions. The SEP set out proposals for a 6 year programme of private and public sector investment at around £5 billion which would create 42,000 new jobs, 28,000 homes and 445,000 square metres of employment floorspace. The SEP ask to Government was to invest £559 million of Local Growth Fund to support the investment programme.

- 3.2 Adur and Worthing Councils submitted various bids for funding, in particular £13.5 million to deal with the funding shortfall for flood defence works in Shoreham Harbour (£6 million to cover the shortfall for the Adur Tidal Walls Scheme and £7.5 million to deliver the comprehensive flood defence for Shoreham Harbour). In addition, a bid of £2.3 million was submitted to cover the costs of dealing with contaminated land remediation and transport infrastructure works necessary to facilitate the development of the Decoy Farm site.
- 3.3 The Government has recently announced that the LEP has secured £202 million initially for a six year period of which £38 million is for year one (2015/16). The Shoreham Flood Defence Scheme has secured £9.5 million and sustainable transport funding of £37 million has also been secured. Whilst, the bid for Decoy Farm was unsuccessful, the LEP has a Public Works Loan Board funding facility of £88 million which could be used to help pay for the infrastructure works necessary to bring forward the Decoy Farm site.

4.0 Contaminated Land Survey Update

- 4.1 The detailed Contaminated Land Survey has now been undertaken and the report highlights that the level of contamination is not significant. The report also highlights that the top 3 metres of the site is relatively free of significant levels of contamination although there would be a need to deal with ground gas and provide appropriate mitigation and provide for ongoing monitoring.
- 4.2 The report provides some reassurance that the site can be developed. The cheapest solution would be to cap the site with a protective membrane and provide a hardstanding area suitable for open storage uses. The cost of constructing industrial units would be higher because of the need to provide a clean air system require gas venting and a fan system within the buildings. The report indicates that levelling of the site could provide bunding around the site using surplus soil to provide a landscaped buffer.
- 4.3 Without further survey work and investigation the Consultants have not been able to provide any indicative costs for developing the site for employment uses. However, from their experience the site does have development potential for employment uses.

5.0 Proposals

- 5.1 Whilst, the CCF funding has now ceased the funding that maybe available from the Government's Local Growth Fund could help to bring the site forward for employment uses. This could either be through a loan from the Public Works Board and/or to seek funding through Round 2 of the Growth Deal funding. However, it is clear that additional work is necessary to fully understand the costs of bringing forward the site for development and the extent, if any, of any funding shortfall.
- 5.2 The next step would be to seek some indicative costings for remediating the site to ensure that the site is viable before undertaking further studies necessary to submit a planning application. Hopefully this work would demonstrate that the site would generate sufficient value to cover remediation and development costs. If there is a funding shortfall clear evidence of the extent of any shortfall would be necessary to secure funding from Round 2 of the Local Growth Fund. It is likely that a detailed

land survey and indicative costs for undertaken remediation works would cost up to £25,000. As Round 2 has already opened it is important that this initial survey work is undertaken as a matter of priority.

- 5.3 On the basis that the site is viable to develop it would be preferable to market the site with outline planning permission. If it is demonstrated that there is a funding gap it may be necessary to secure public funding to undertake the land remediation and potentially install an access road prior to marketing the site. Either way there is a need to carry out further investigations into the development costs associated with bringing the site forward for employment use.
- 5.4 Members should be reassured that there continues to be considerable development interest in the site from various local companies and your Officers remain confident that the site would be viable to bring forward for development.
- 5.5 A number of studies would need to be undertaken to enable an outline planning application to be submitted. These would include:
- Transport Assessment
 - Ecological Survey
 - Flood Risk Assessment
 - Noise Assessment
 - Air Quality Assessment
- 5.6 The existing junction onto Dominion Way may require improvements and the recent development at GSK indicated that the signalised junction with Dominion Road is close to capacity. It is inevitable therefore that the application will require some off site highway works and an initial highway study into the potential development costs would be beneficial. An outline planning application would require a Transport Assessment in any event to analyse the impact on the existing highway network.
- 5.7 As the site has not been occupied for a number of years it is likely that the site supports a large colony of reptiles that would need to be translocated to a receptor site in the vicinity. This could be a costly exercise in itself and may limit the development potential of the site particularly if part of the site has to be kept clear for ecological reasons and/or a balancing facility as part of a Sustainable Urban Drainage system (SUD's) for the site.
- 5.8 Added to the above studies there would be a need for funding for the planning application fee, valuation report and marketing costs. It is estimated that the cost of all the survey work and studies required for Decoy Farm, including marketing and the submission of a planning application, would be up to £150,000. However, any spending would be undertaken on an incremental basis and at each stage only on the basis that the overall development value justified the expense.
- 5.9 At its meeting in November 2013 Members agreed to set up a Corporate Project Board, with the Cabinet Member for Regeneration being on the Board. An officer steering group would also be set up, reporting directly to the Board. If Members agree to the above funding request to help bring the Decoy Farm site forward for development the Project Board/Steering Group would be set up and would authorise spending at each stage of the project.

6.0 Legal

- 6.1 Section 1 Localism Act 2011 and Section 111 Local Government Act 1972 provide 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 which includes Regeneration.
- 6.2 In addition, Section 1 Local Government (Contracts) Act 1997 allows the Council to enter into a contract in relation to any of its functions. When applying for grant funding applicants are required to self-evaluate whether their projects are compliant with European State Aid rules which regulate financial aid to organisations carrying out economic activity (whether or not for profit) and this advice should be sought at an early stage.
- 6.3 Ultimately, if successful in connection with any grant funding application, the Council would have to enter into a grant agreement to comply with the terms and conditions of any grant award.

7.0 Financial Implications

- 7.1 There are no existing budgets to cover the cost of the survey work needed.
- 7.2 The cost of survey works necessary to secure outline planning permission for the Decoy Farm site are relatively high at £150,000. However if the Council is to secure funding from the Public Works Loan Board or Round 2 of the Growth Deal funding, it is essential that the full costs of bringing forward the site for development are understood. By setting up a Project Board the Cabinet Member for Regeneration would be able to exercise control over spending at different stages of the Project.
- 7.3 Whilst the Council's Consultants have not been able to provide a rough estimate for remediating the site, having reviewed the recent disposal of open storage sites in the area, it is likely that a serviced site could be valued at around £500,000 per acre (£1.2 million per hectare). Even at a conservative estimate the costs of remediating the land (including mitigating ground gas), providing access and services and addressing ecological requirements are unlikely to exceed £4 million. If it is assumed that about 5 hectares of land could be brought forward for employment use, even just for open storage uses, this would be viable and provide a capital receipt for the Council.
- 7.4 These figures are only rough estimates and the cost of developing the site may be higher, however, as stated previously without undertaking the further surveys and reports it will not be possible to understand the full development costs and whether there would be any funding shortfall. This information would be essential if Worthing were to submit a bid for Growth Deal funding in Round 2.
- 7.5 It is also worth mentioning that the site even for open storage uses would help to provide significant business rates income to the Council. One of the identified uses for the site is to relocate Stagecoach and as an example the Company's existing site of only 1.6 acres (0.66 ha) has a rateable value of £66,000.

8.0 Recommendation

8.1 It is recommended that the Committee:

- (i) Agrees that bringing forward Decoy Farm as an employment site is a priority project for Worthing Borough Council.
- (ii) Recommends to Worthing Borough Council to fund survey work costing up to £150,000 from the Capacity Issues Reserves.
- (iii) Support the establishment of a Corporate Project Board and agree that the Cabinet Member for Regeneration be part of the Board.
- (iv) Agree to the submission of an outline planning application for the Decoy Farm site.
- (v) Agree to the marketing of the site on the basis that planning permission is granted.

Local Government Act 1972 Background Papers:

Coastal Communities Fund Bids 2013
Coastal Communities Fund Application Guidance
Shoreham Harbour Development Briefs
Decoy Farm Contaminated Land Survey 2014
Adopted Worthing Core Strategy 2011

Contact Officer:

James Appleton
Head of Planning and Regeneration
Portland House, Richmond Road, Worthing
01903 221333
james.appleton@adur-worthing.gov.uk

Schedule of Other Matters

1.0 Council Priority

1.1 Supporting and Improving the Local Economy

- 1) Promote and support projects and ideas that attract new and retain existing businesses and generate investment in the area
- 2) Enable new homes to be built to help meet the housing needs of our communities

2.0 Specific Action Plans

2.1 Shoreham Harbour Development Briefs Worthing Core Strategy

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 Consultation undertaken with Officers and Senior Members

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 Not applicable

12.0 Partnership Working

12.1 Matter considered and no issues identified