

Committee Manager : Erica Keegan (Ext 37547)

04 October 2016

CABINET

A meeting of the Cabinet will be held in Committee Room 1 (Pink Room) at the Arun Civic Centre, Maltravers Road, Littlehampton, on the **17th October 2016 at 5.00 pm** and you are requested to attend.

Members : Councillors Mrs Brown (Chairman), Wensley (Vice-Chairman), Bence, Bower, Chapman, Dendle and Wotherspoon.

A G E N D A

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF INTEREST

Members and Officers are reminded to make any declarations of personal and/or prejudicial interests that they may have in relation to items on this Agenda.

You should declare your interest by stating :

- a) the item you have the interest in
- b) whether it is a personal interest and the nature of the interest
- c) whether it is also a prejudicial interest
- d) if it is a prejudicial interest, whether you will be exercising your right to speak under Question Time

You then need to re-declare your interest and the nature of the interest at the commencement of the item or when the interest becomes apparent.

3. QUESTION TIME

- a) Questions from the public (for a period of up to 15 minutes).
- b) Questions from Members with prejudicial interests (for a period of up to 15 minutes).

4. MINUTES

To approve as a correct record the Minutes of the meeting held on 19 September 2016 (previously circulated).

5. *LITTLEHAMPTON LEISURE CENTRE - PROJECT UPDATE

This report updates Cabinet on progress toward the delivery of the new leisure centre, including site investigations and stakeholder engagement. The latest designs will be presented at the Cabinet meeting prior to the submission of the planning application.

6. *CAPITAL PROJECT PRIORITISATION

The Council has identified in its Medium Term Financial Strategy (MTFS), which is elsewhere on this agenda, potential additional capital funding sources to support its priorities. The range of possible new projects is substantial and the preliminary estimated costs continue to exceed the Council's ability to fund them all. There were a number of projects in last year's submissions that were phased; these phased schemes have been rolled forward. The report seeks to prioritise specific projects that can be delivered within available Council resources.

7. *REVENUE AND CAPITAL OUTTURN EXPENDITURE 2015/16

This report provides a summary of revenue and capital outturn expenditure for 2015/2016 and compares this expenditure with the approved Budget.

8. *FINANCIAL PROSPECTS 2016/17 TO 2021/22

The Council's Medium Term Financial Strategy (MTFS) covering the period up to 2021/22 rolls forward the data in the existing approved MTFS. The strategy amends certain assumptions contained in it to reflect changes in the Council's circumstances and other issues that have a strategic bearing on the Council's financial prospects.

9. *AWARD OF CONTRACT - BANKING SERVICES

The Council's Banking Contract runs out on 31 March 2017. Cabinet is requested to approve the award of the contract following a tender process.

10. *BUSINESS RATES - DISCRETIONARY RATE RELIEF: PARTLY OCCUPIED RELIEF

Under section 44a of the Local Government Finance Act 1988 discretionary rate relief may be granted where a property is partly occupied for a temporary period. It is a local authority decision whether to grant the relief. As local authorities receive a significant share of business rate income under the rates retention scheme the award of relief in respect to high valued properties carries a significant cost implication. It is being proposed that from 1 April 2017 to limit the rateable value (RV) before any applications for relief are considered.

11. *LOCAL HOUSING COMPANY

As part of the 2020 Vision Programme a Cabinet Working Party has been reviewing the business case for creating a wholly Council owned local housing company. The purpose of the company would be to develop residential housing and other appropriate schemes to generate an additional income stream for the authority. The company would operate independently from the Council on a commercial basis with its own Board of Directors appointed by the Council.

12. *HRA SUPPLEMENTARY ESTIMATE

This report seeks Cabinet Approval for a HRA Supplementary Estimate of up to £691k to be spent on acquiring ex Council Right to Buy or Shared Ownership properties. The expenditure will ensure the amount '1 to 1' receipts identified for expenditure by December 2016 is committed.

13. *RECOMMENDATIONS FROM THE CABINET WORKING PARTY - REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE

As part of the Vision 2020, a Cabinet Working Party was established at the Cabinet meeting on 21 March 2016 to undertake a review of the levels of delegation to Committees and Officers; and to review the current Cabinet/Committee structure. The Working Party is close to concluding the two stages of its work and this report presents its recommendations.

14. *FUTURE OF AREA COMMITTEES

This report provides an update and presents recommendations on the future of the Joint Eastern Arun Area Committee, Joint Western Arun Area Committee and the Joint Downland Arun Area Committee.

15. *UPDATE ON THE COUNCIL'S 2020 VISION

The Council agreed the 2020 Vision at Full Council on 20 July 2016. The management restructure is on going and this report provides an update on progress.

Note : *Indicates report is attached for all Members of the Council only and the press (excluding exempt items). Copies of reports can be obtained on request from the Committee Manager).

Note : Members are reminded that if they have any detailed questions would they please inform the Chairman and/or relevant Director in advance of the meeting.

AGENDA ITEM NO.5**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17th OCTOBER 2016****PART A : REPORT**

SUBJECT: Littlehampton Leisure Centre – Project Update

REPORT AUTHOR: Rachel Alderson DATE: September 2016 EXTN: 37946
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EXECUTIVE SUMMARY:

This report updates Cabinet on progress toward the delivery of the new leisure centre, including site investigations and stakeholder engagement. The latest designs will be presented at the Cabinet meeting prior to the submission of the planning application.

RECOMMENDATIONS:

1. To sign off the outline design for the new leisure centre prior to the submission of the planning application.
2. To approve that a grant application is submitted to Sport England for funding towards the leisure centre, should the Council be invited to do so. This will be subject to the scheme meeting the requirements of the grant criteria.

1. BACKGROUND:

1.1 Cabinet Decision C/047/080216 resolved that delegated authority be given to enable officers to commence delivery of the leisure centre project and award contracts in respect of professional and technical fees for the pre-construction phase. At their meeting on 25th July 2016 Cabinet received the minutes from the Environmental Services and Community Development Working Group held on 28th June 2016. The Working Group was advised that the contract for the pre-construction phase of the project was awarded to Willmott Dixon Construction Ltd. (WDC) and The Clarkson Alliance has been appointed as Arun District Council's Client Representative. Cabinet Decision C/013/250716 resolved that the update on project progress and the award of contracts for the framework contractor and client representative be noted.

1.2 Pre-Construction Programme & Site Surveys

WDC's current programme focusses on activity during the pre-construction phase and the lead up to the submission of a planning application. WDC are working to tight deadlines and during this period have undertaken a design and cost review of the scheme and also commissioned a range of site surveys. The outcome of the surveys will provide more certainty on the position, shape and layout of the building and will also inform the construction methodology. The results received to date have not identified any

unexpected issues.

1.3 Stakeholder Engagement

Meetings have been held with regular hirers of the current leisure centre which included sports clubs and local groups. These provided an opportunity for the project team to discuss the new plans and gain a greater understanding of the hirers requirements which may have an impact on the design.

Planning Public Consultation took place during the period 3rd -10th October 2016 with staffed exhibitions on 3rd, 6th and 8th October. Information was also available on the Council's website during this period. This enabled the wider public to view the latest plans and comment on the new leisure centre. All Members were invited to attend an exhibition and comment on the plans ahead of the consultation period.

1.4 Project Costs

The project includes the construction of the new leisure centre, demolition of the existing centre and reinstatement of the former site to public open space. Project costs are being continually reviewed during the design phase to ensure deliverability. Once the formal tender process has been undertaken in early 2017 a more accurate assessment of project costs will be known.

2. PROPOSAL(S):

Plans have been drawn up which show what the new leisure centre will look like and illustrate how the leisure centre will relate to the surrounding area. These have been updated during the design process to reflect comments received from stakeholders.

2.1 Stakeholder Feedback

A summary of comments received at the User Group meetings will be combined with the results of the Planning Public Consultation. All comments received will be reviewed by the project team and, where possible, the designs amended to accommodate suggestions put forward.

2.2 Masterplan

It is important to consider the relationship of the new leisure centre with the surrounding area, following demolition of the existing building and reinstatement to public open space. The new leisure centre creates opportunities for positive links with Mewsbrook Park and the masterplan shows how the setting of the new building will be enhanced.

2.3 Leisure Centre Designs

The layout plans for the new leisure centre incorporate the approved facilities mix (Decision Notice C/034/161115) and benefit from views to the seafront and Mewsbrook Park. The shape of the building has evolved as result of the surveys and offers better efficiencies in terms of usable space and construction methods. The latest versions of the plans will be presented at the Cabinet meeting (Appendix 1). It is proposed that the outline design of the new leisure centre is signed off prior to the submission of the

planning application. In project terms it is considered to be the 'frozen design' and any changes in layout during the detail design phase will incur additional costs.

2.4 Planning Submission

It is intended that a planning submission for the new leisure centre will be submitted w/c 24th October 2016 for consideration by the Development Control Committee on 1st February 2017.

2.5 Sport England Application

The project team has met with Sport England to discuss the project and clarify the process for funding applications. Sport England has formally invited ADC to submit an Expression of Interest in September 2016. Subject to a positive outcome it is proposed that Arun District Council submits a funding application to Sport England.

3. **OPTIONS:**

- a. To approve the recommendations as set out in this report.
- b. To not approve the recommendations and risk delays to the project and the associated financial implications.

4. **CONSULTATION:**

The following Stakeholder Engagement has been programmed:

- User Group Meetings held on 9th & 14th September 2016
- Members Exhibition on 29th September 2016
- Planning Public Consultation 3rd – 10th October 2016

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council	✓	
Relevant District Ward Councillors	✓	
Other groups/persons (please specify) Sports clubs, user groups, Friends of Mewsbrook Park, Arun Youth Aqua Centre, Freedom Leisure, Sport England, general public.	✓	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability	✓	

Asset Management/Property/Land	✓	
Technology		✓
Safeguarding		✓
Other (please explain)		✓

6. IMPLICATIONS:

- Financial – the Council is committed to the delivery of a new leisure centre and has allocated funding within its Capital Project Prioritisation report (C/033/161115).
- Legal – the delivery programme is linked to dates set in the Leisure Operating Contract. The Arun Youth Aqua Centre will require a revised lease for the relocated boat store.
- Sustainability – future maintenance requirements will be taken into account as part of the project.
- Asset Management/Property/Land – the Council will own the new leisure centre and have responsibility for its future maintenance.

7. REASON FOR THE DECISION:

To meet the programme for the delivery of the new Littlehampton leisure centre by April 2019 and avoid incurring penalties associated with the Leisure Operating Contract.

8. BACKGROUND PAPERS:

[Leisure and Cultural Strategy 2013 - 28](#)

[Full Council 15 May 2013, Final Resolution, Minute 522, Strategy 1, Stage 2](#)

[Leisure, Tourism & Infrastructure Working Group \(30 June 2014\)](#)

[Cabinet Report \(21 July 2014\) – A New Leisure Centre for Littlehampton](#)

[Detailed Feasibility Study 2015](#)

[Cabinet Report \(16 November 2015\) - Capital Prioritisation Programme](#)

[Cabinet Report \(8 February 2016\) – A New Leisure Centre in Littlehampton](#)

[Environmental Services & Community Development Working Group \(28 June 2016\)](#)

[Environment & Leisure Working Group \(6 September 2016\)](#)

AGENDA ITEM NO. 6**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17TH OCTOBER 2016****PART A: REPORT**

SUBJECT: Capital Project Prioritisation
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REPORT AUTHOR: Alan Peach, Head of Finance and Property
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DATE: September 2016	EXTN: 37558
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EXECUTIVE SUMMARY:

The Council has identified in its Medium Term Financial Strategy (MTFS), which is elsewhere on this agenda, potential additional capital funding sources to support its priorities.

The range of possible new projects is substantial and the preliminary estimated costs continue to exceed the Council's ability to fund them all. There were a number of projects in last year's submissions that were phased; these phased schemes have been rolled forward.

The report seeks to prioritise specific projects that can be delivered within available Council resources.

RECOMMENDATIONS:

Cabinet approves:

- i) The specific projects for the Council to seek to deliver over the period 2017/18 – 2021/22 are identified in Appendix A at an estimated cost of £19.5m including the specific project of a new larger pool and sports centre for Littlehampton;
- ii) To the inclusion in the draft 2017/18 budget of only those projects that are prioritised and scheduled to start in the new financial year and assess the affordability of the other potential projects and seek to identify any additional funds in the revision of the MTFS for any approved projects that are indicated as having the potential for delivery in subsequent years;
- iii) That a report to review the project priorities for 2018/19 be brought back before Cabinet around the same time as the normal annual review of the Council's MTFS is carried out in 2017; and
- iv) Delegated authority to the Council's Chief Financial Officer (s151) to

approve invest to save schemes (following full financial appraisal) that can demonstrate clear financial benefits (reduction in net expenditure and are able to repay any debt plus interest), to be included in the 2017/18 or future years budgets (2.2).

1. BACKGROUND:

The proposed programme is, inevitably, dominated by the construction of the new Littlehampton Leisure Centre (LLC). Whilst the precise timing of the project is not currently known an estimate of the phasing has been made. The remainder of the programme uses the Capital Prioritisation report considered by Cabinet September 2014, and was the result of a complex bidding process when a number of projects were ranked for inclusion in the Capital Programme. The report contained a number of schemes that were to be delivered in phases. These are, predominantly, investment in the District's infrastructure or essential repairs/maintenance to Civic Buildings. These were fully evaluated at the time and it is considered logical to, effectively, roll these forward into future years and complete the programmes. The exception to this is the window replacement programme, as at this stage it is proposed to divert this funding to Beach Hut replacement.

2. PROPOSAL(S):

1. It is proposed that the Council select the projects set out in Appendix A for inclusion in the budget report to Full Council for 2017/18.
2. The Council is currently looking at options to generate income or reduce expenditure. It is proposed that the feasibility of invest to save schemes to be funded from prudential borrowing or other resources be investigated. This would only apply to projects that significantly reduce net expenditure by increasing income or reducing expenditure (including any interest charges and debt repayment).

3. OPTIONS:

1. Agree the recommendations as set out in Appendix A up to a total estimated cost of £19.5m (recommended option).
2. Alter the prioritised projects whilst remaining within the available Capital Funding in the MTFS.
3. Alter the prioritised projects for Capital funding allocations but also extend the amount available by considering prudential borrowing for those projects that can clearly demonstrate they can service any related debt and interest re-payments.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		
Relevant District Ward Councillors		

Other groups/persons (please specify)		
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal		X
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land	X	
Technology	X	
Other (please explain)		
<p>6. IMPLICATIONS:</p> <p>The Council needs to prioritise projects that support its Corporate priorities but that also are affordable, deliverable and sustainable, if it is to avoid either non-delivery due to lack of capacity or overstretching of itself financially.</p> <p>Other detailed implications need to be assessed once projects have been selected for inclusion in future years work programmes and budgets.</p>		
<p>7. REASON FOR THE DECISION:</p> <p>To set the Council's Capital Project Priorities for the next few years that support the Council's priorities and that are financially affordable and sustainable.</p>		
<p>8. BACKGROUND PAPERS:</p> <p>Medium Term Financial Strategy</p>		

Appendix A: Capital Project Prioritisation

	Timings					Total £
	2017/18	2018/19	2019/20	2020/21	2021/22	
Beach Huts	120,000					
Public Toilets (phases 3 to 5) *	200,000	200,000	200,000			
Play Area Investment (phases 3 to 5) *	100,000	100,000	100,000			
Future Schemes	-	-	700,000	1,000,000	1,000,000	
RSL Housing Programme (phases 4 to 5) *	100,000	100,000				
Community Flood Fund (phases 2 to 3) *	250,000	250,000				
LLC New Build Capital **	8,300,000	5,645,000	-			
LLC New Build Revenue **	-	550,000	600,000			
	9,070,000	6,845,000	1,600,000	1,000,000	1,000,000	19,515,000

* Included in the Capital Projects Prioritisation Report 15th September 2014 - C/031/150914

** Assumptions made with regards to the timings of cashflows and also the split between Revenue & Capital,

It is important to note the distinction between Capital & Revenue as neither Capital Receipts or Borrowing can be used to fund revenue.

Project Management, demolition of old swimming centre/reinstatement as POS and fixtures, fittings & equipment is considered revenue (although some of the larger equipment may be capitalised providing it meets the Council's de-minimis level and other capitalisation criteria), at this time all other costs are assumed capital.

Current budget 2016/17 is £940,000, the figures above are working on a total scheme cost of £16,035,000

AGENDA ITEM NO.7**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17th October 2016****PART A : REPORT****SUBJECT: Revenue and Capital Outturn Expenditure 2015/16****REPORT AUTHOR: Alan Peach****DATE: July 2016****EXTN: 37558****EXECUTIVE SUMMARY: The attached report provides a summary of revenue and capital outturn expenditure for 2015/16 and compares this expenditure with the approved budget.****RECOMMENDATIONS**

Cabinet is recommended to:

- (i) Consider the attached outturn report in appendix 1;
- (ii) Note the revenue and capital outturn expenditure and earmarked reserve transactions for 2015/16;
- (iii) Approve the level of balances and unused S.106 sums at 31st March 2016;
- (iv) Note a £805k contribution to the Littlehampton Leisure Centre earmarked reserve; and
- (v) Note a £1.203 million transfer to the Pensions Reserve.

1. BACKGROUND:

The Council approved the revenue and capital budgets for 2015/16 on 24th February 2015. This report shows a comparison between the actual expenditure and income for 2015/16 and the budget approved by Full Council plus supplementary estimates and virements approved during the year.

Progress against the budget was closely monitored during the year and monitoring statements were considered by Cabinet at regular intervals. Unforeseen requirements were reported to Cabinet members or Cabinet and where no funding source could be identified approval for supplementary estimates were sought from full Council. During the year a number of expenditure items were identified as corporate underspend which was utilised as a source for virement to minimise the number of supplementary estimates during the year.

The Council's Statement of Accounts for 2015/16 was approved by the Audit and Governance Committee on 29th September 2016 and the audited Statement of Accounts and Annual Governance Statement are available on the Council's website using the link: [Financial Information](#).

2. PROPOSAL(S):

Cabinet is requested to consider the attached report which contains details of the revenue and capital outturn expenditure and specific reserve transactions for 2015/16; and the level of balances and unused S.106 sums at 31st March 2016.

3. OPTIONS:		
n/a		
4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
6. IMPLICATIONS:		
The report provides Cabinet with a comparison between the actual income and expenditure for 2014/15 and the final budget approved for the year.		

7. REASON FOR THE DECISION:
To ensure that Members are fully aware of the Council's outturn for 2015/16; and the level of reserves at 31 st March 2016, which will be available for use in future years.

8. BACKGROUND PAPERS:
Revenue and Capital Estimates 2015-2016.

ARUN DISTRICT COUNCIL REVENUE AND CAPITAL OUTTURN REPORT 2015/16 – Cabinet 17th October 2016

1. Introduction

- 1.1 This report sets out the Capital, Housing Revenue and General Fund Revenue outturn performance against budget for 2015/16. The report compares actual expenditure and income with the budget originally approved by Council on 24th February 2015 plus supplementary estimates and virements approved during the year.
- 1.2 The report comprises of:
- General Fund Revenue Summary (Appendix A);
 - Housing Revenue Account (Appendix B);
 - Capital and Asset Management Statement (Appendix C);
 - Capital Receipts (Appendix D);
 - Earmarked Reserves Statement (Appendix E); and
 - S.106 Summary Statement (Appendix F).

2. General Fund Summary (Appendix A)

- 2.1 The General Fund outturn summary is included at appendix A. The original budget anticipated a draw down from General Fund Reserve of £1.874 million. During the year additional supplementary estimates totalling £275k were approved resulting in a revised budget draw down of £2.149million. The outturn for 2015/16 of £1.874 million draw down from balances resulted in a favourable variation of £0.275 million against the current budget (whilst being neutral against the original budget).
- 2.2 The change in the planned original budget General Fund Reserve movement due to supplementary estimates and approved virement is shown in the table below:

Reconciliation of Original to Current Budget Reserve Movement 2015/2016		Original Budget	Current Budget	Change
		£'000	£'000	£'000
Taken from / (Added to) Balances		1,874	2,149	275
Estimated Supplementary Approvals/EMR Virements		Reference		
Local Plan Supplementary Estimate	FCL/17/06/15		100	
Temporary Planning Staff	FCL/09/09/15		150	
Planning Market Supplementary Support Jan-Mar 16	FCL/11/11/15		<u>25</u>	
Total Supplementary Approvals to end of March 2016				275

- 2.3 It is important to note that some of the variations against the original budget are due to accounting requirements (e.g. IAS19 pension adjustments) and the way the

Appendix 1

original budget is presented (Contingency budget). The current budget takes account of the virement and supplementary estimates that have been approved during the year and therefore provides a better analysis of budget against outturn. During the year contingency and miscellaneous budget items are vired to: service areas; capital schemes; and contributions to earmarked reserves (if required for future years); or if unrequired are made available as part of identified savings that can be vired to fund unforeseen expenditure in order to minimise the use of supplementary estimates during the year.

- 2.4 During the year income and expenditure variations and the estimated outturn General Fund position were monitored and reported on a regular basis. The final budget monitoring report (Cabinet 21 March 2016) anticipated a drawdown of £1.372 million from General Fund Reserve (estimated General Fund closing balance of £10.663 million). There were some additional savings summarised in the table below which enabled a £1.203 million contribution to the Pensions reserve and £0.805 million to be earmarked for the new Littlehampton Leisure Centre. The contribution to the Pensions Reserve allows the annual contribution from this earmarked reserve to continue until 2019/20 and is now aligned with the planned implementation of the Council's Vision 2020. The Council has already earmarked a minimum of £8 million of usable capital receipts for the Littlehampton Leisure Centre but there continues to be a funding gap which will have to be met through prudential borrowing, which will have adverse revenue consequences if no additional resources can be identified.

The variations +/- £100k against current budget are summarised in the table below:

	£,000
Establishment	(191)
Housing Benefit	(188)
Recycling credits and garden waste contributions	(122)
Additional HRA support service recharge	(155)
Unrequired Contingency Budgets	(196)
Service related income	(469)
Disabled Facilities Grants	(236)
Unrequired earmarked reserves returned to General Fund	(136)
Transfer to Pensions Reserve	1,203
Transfer to Littlehampton Leisure Centre Reserve	805
Other Variations <£100k	(590)
Total Variation	(275)

- 2.5 It is worth noting that the improved variation against budget was due in no small part to robust financial management. Members and officers received regular monitoring reports which highlighted the Council's financial position including the predicted underspend against current budget.
- 2.6 Portfolio holders and Senior Managers are responsible for the income and expenditure budgets including the establishment for their service areas. However, Corporate Management Team is also collectively responsible for achieving the Vacancy Management target of (£450k). The current budget includes, earmarked

Appendix 1

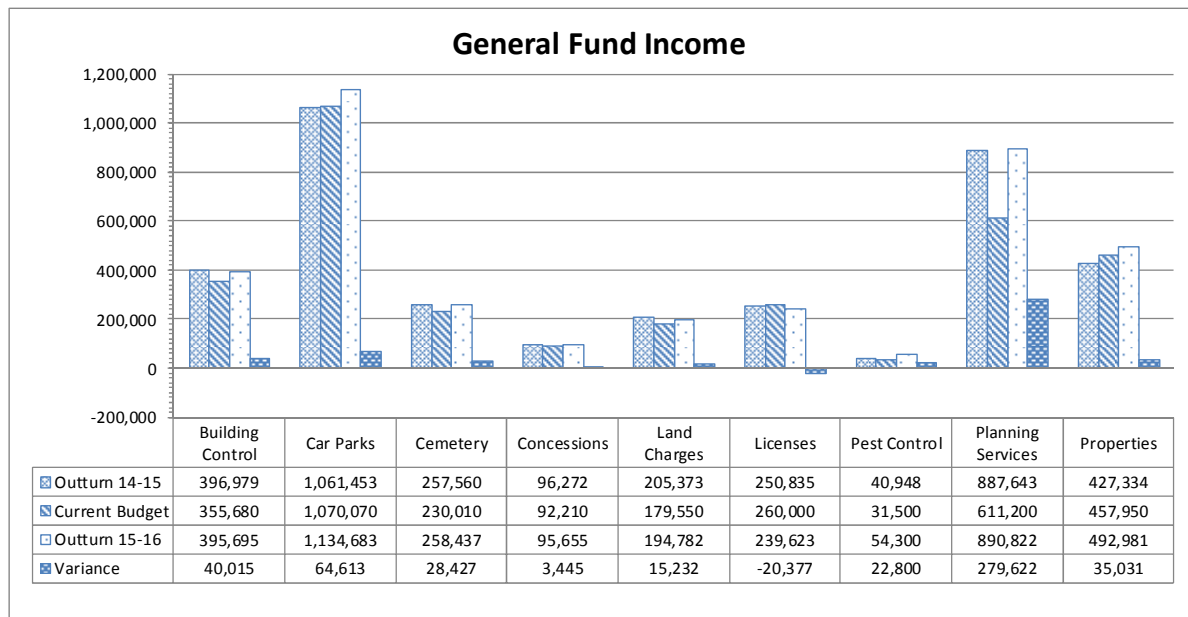
reserve funded posts; additional grant funded posts, virements to fund backfill arrangements and supplementary estimates. The current budget saving was exceeded by (£191k), however, it should be noted this was after allowing for two supplementary estimate of £150k and £25k for Planning Services for agency staff and market supplements (part year) respectively. The balance of the supplementary estimates was taken to earmarked reserve to allow the work to be completed in 2016/17 and the full market supplements were included in the budget for 2016/17. The performance against target is summarised in the table below:

Establishment Variation to current budget 2015/16				
	Original Budget £'000	Current Budget £'000	Actual £'000	Variance £'000
Community Services	853	844	844	0
Contingencies / miscellaneous	(450)	(450)	0	450
Corporate Governance	1,621	1,689	1,590	(99)
Council Strategy	319	369	349	(20)
Environmental Services	1,303	1,257	1,200	(57)
Housing	633	635	612	(23)
Leisure and Amenities	664	680	669	(11)
Planning & Infrastructure	1,940	2,062	1,856	(206)
Support Services	5,738	5,811	5,586	(225)
Total	12,621	12,897	12,706	(191)

- 2.7 The favourable outturn on Housing Benefit (£188k) against original budget comprised of (£90k) Rent Allowances and (£98k) Rent Rebates was significantly better than forecast. An adverse year end position of £200k for Rent Allowances was anticipated during the year due to a variety of reasons including several new “anti- fraud and error” initiatives launched by the DWP. These cases only attract 40% subsidy and result in a time lag in the recovery of the overpayments. The outturn of (£90k) included a significant improvement in the recovery of overpayments of (£127k) against budget. The case load of 7,306 was also a reduction on the previous year (7,587). The net subsidy for Rent Rebates did not decrease as much as anticipated as a result of welfare changes not entitling the Council to claim 100% subsidy on e.g. specialist accommodation and welfare packages resulting in a favourable variation of (£90k) against original budget as mentioned above. The case load (2,348) was also lower than the previous year (2,418).
- 2.8 Service related income from fees, charges and rents are included within net cost of service. In total this amounts to an overall financing of £3.2 million (budget 2015/16). Income is a key risk area to the budget as it is predominantly externally influenced, without direct link to service cost and each source is unique.

The graph below analyses (£0.469 million) favourable outturn income variation by source and value.

Appendix 1



2.9 The increased central support recharge (£155k) to the Housing Revenue Account is mainly due to capital and special project (asset management and IT rolling programme) of which a proportion is allocated to the HRA.

2.10 During the year contingency and miscellaneous items are vired to service areas; capital schemes; added to earmarked reserves if required for future years; or if unrequired are made available as part of identified savings that can be vired to fund unforeseen expenditure in order to minimise the need for supplementary approvals during the year. In addition service related savings that are identified during the year are vired to the contingency and miscellaneous items budget to form part of the corporate underspend available for virement during the year. This included (£179k) additional investment income which was achieved despite very difficult market conditions. The net budget remaining from the corporate underspend (£100k) forms part of the total underspends at the end of the year.

2.11 The outturn General Fund Reserve movement is summarised in the table below:

General Fund Reserve Movement Outturn 2015/16	Original Budget £'000	Current Budget £'000	Outturn 2015/16 £'000
Net Budget Requirement	25,094	26,164	25,994
Financed by:			
Government Grants and Retained Business Rates	(10,411)	(11,206)	(11,311)
Council Tax	(12,809)	(12,809)	(12,809)
Taken From / (Added to) Balances	1,874	2,149	1,874
General Fund Balance 01 April 2015	12,035	12,035	12,035
Outturn on General Fund	(1,874)	(2,149)	(1,874)
General Fund Balance 31 March 2016	10,161	9,886	10,161

Appendix 1

Members are asked to approve the General Fund balance of £10.161 million and Earmarked General Fund Reserves of £13.177 (appendix E) at 31st March 2016.

3.0 Housing Revenue Account (HRA) (Appendix B)

- 3.1 Taken together the HRA and Major Repairs Reserve showed a surplus of £1.562 million for the year, compared with a budgeted surplus of £542k. The improved position is mainly due to the net impact of slippage (delayed progress on schemes), particularly in relation to the acquisitions/new build programme.
- 3.2 Members are asked to note the HRA balance of £6.903 million and the Major Repairs Reserve (HRA dwellings) of £1.037 million at 31st March 2016.

4. Capital and Asset Management (Appendix C)

- 4.1 The Council's budget for 2015/16 included several projects which although included in the Capital budget for project management and monitoring purposes cannot, under current accounting regulations, actually be charged to the capital accounts. Expenditure on these projects is transferred from capital to revenue at the end of the financial year and is included in the relevant cabinet portfolio or support service. The result of this transfer is an increase in service expenditure and a corresponding reduction in the amount of capital expenditure financed from revenue (there is accordingly no effect on the Council's total net expenditure).
- 4.2 A budget of £6.990 million for capital and special revenue projects was approved by the Council for 2015/16. In addition £6.145 million slippage (delayed progress on schemes) was brought forward from 2014/15 (£2.496 million GF and £3.649 million HRA). Actual expenditure for the year amounted to £6.193 million. The balance is largely due to slippage which has been carried forward to 2016/17.
- 4.3 Of the £6.193 million capital expenditure £2.349 million related to the HRA and £3.844 million to the General Fund.
- 4.4 Capital slippage to 2016/17 was £7.165 million HRA of which £5.646 million related to stock development and £2.946 million General Fund. The GF slippage is mainly due to: £1.924 million delayed asset management schemes and £0.756 million IT projects, with the balance comprised of the East Bank and BR public realm schemes which span more than one financial year.
- 4.3 Appendix C shows, for comparison purposes, all Capital, Asset management and other projects expenditure for the year, including sums transferred to revenue at the end of the year.
- 4.4 Major schemes completed during 2015/16 include boiler replacement and installation of a UPS (Uninterrupted Power Supply) generator at the Civic Centre £298k; refurbishment of Mewsbrook Park Play Area £80k; phase one of Hotham Park lighting £48k and drainage/paving works at Chalcraft Lane Cemetery £111k and the completion of Hotham Park Café £48k and East Bank Tidal Wall Enhancements £463k both of which continued on from the previous year.

Appendix 1

- 4.5 Following advice from the DCLG, the Cabinet approved the re-profiling of the slippage for the Coastal Communities Fund (CCF) funded Public Realm works in Bognor Regis with Local Authority expenditure in 2015/16 (C/057/210216). £906k CCF grant was applied to Arun's capital expenditure (£940k estimate) in 2015/16 with an equal contribution to earmarked reserve to allow the works to be completed in 2016/17 without loss of funding.

5. Capital Receipts (Appendix D)

- 5.1 The capital receipts statement in appendix D shows total capital receipts of £11.775 million at 31st March 2016. This total is comprised of £9.819 million which is available to fund any capital expenditure (£8 million has been allocated to finance the Littlehampton Sports Centre new build) and £1.956 million relating to retained right to buy receipts ("1 for 1" receipts), which must be spent on new social housing or be returned to the government.

6. Earmarked Reserves (Appendix E)

- 6.1 The earmarked reserves statement 2015/16 in appendix E shows the amounts set aside from the General Fund in earmarked reserves for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2015/16. These reserves were reviewed regularly during 2015/16 to ensure that they are being drawn down as appropriate or returned to General Fund reserve. Members are asked to approve the level of earmarked reserves of £13.177 million.

7. Section 106 Receipts (Appendix F)

- 7.1 Section 106 agreements, also known as planning obligations, are agreements between developers and Arun District Council (as the local planning authority) that are negotiated as part of a condition of planning consent. The Town and Country Planning Act 1990 enables Arun to negotiate contributions towards a range of infrastructure and services, such as community facilities, public open space, transport improvements and/or affordable housing.
- 7.2 Appendix F shows the S.106 sums received for each agreement, analysed by its intended application, showing the allocation belonging to Arun and the status of the application of the funding. Members and officers were updated on S.106 sums at regular intervals during 2015/16.

8.0 Recommendations

- 8.1 Cabinet is recommended to:
- (i) Consider the outturn report;
 - (ii) Note the revenue and capital outturn expenditure and earmarked reserve transactions for 2015/16;
 - (iii) Approve the level of balances and unused S.106 sums at 31st March 2016;
 - (iv) Note the £805k contribution to the Littlehampton Leisure Centre earmarked reserve; and
 - (v) Note the £1,203k transfer to the Pensions Reserve

Appendix A

General Fund Revenue Budget and Outturn 2015/16 Summary

	Original Budget £'000	Current Budget £'000	Actual £'000	Variance £'000
Cost of service				
Community Services	(179)	(120)	(129)	(9)
Corporate Governance	148	350	(47)	(397)
Council Strategy	123	53	3	(50)
Environmental Services	398	678	594	(84)
Housing	385	358	324	(34)
Leisure & Amenities	4,092	4,813	4,563	(250)
Planning & Infrastructure	(765)	(280)	(671)	(391)
Support Services	1,930	2,610	2,351	(259)
Establishment	12,621	12,897	12,706	(191)
Rates	434	434	430	(4)
Insurance	215	216	227	11
Recharges	(1,041)	(1,041)	(1,196)	(155)
Total Cost of Service	18,361	20,968	19,155	(1,813)
Corporate Costs				
Parish Precepts	3,589	3,589	3,589	0
Grant payments to parishes	287	287	287	0
Other precepts and levies	253	253	253	0
Interest and investment income	(411)	(561)	(589)	(28)
Contingencies / miscellaneous	775	196	0	(196)
Contribution to / (from) earmarked reserves	(1,863)	(255)	1,719	1,974
Capital expenditure financed from revenue	2,908	492	259	(233)
Pension deficit contributions	1,195	1,195	1,321	126
Total Corporate Costs	6,733	5,196	6,839	1,643
Total net budget requirement	25,094	26,164	25,994	(170)
Financed by:				
Revenue Support Grant	(2,716)	(2,716)	(2,716)	0
Retained Business Rates (incl. s31 grants)	(3,491)	(3,936)	(4,041)	(105)
New Homes Bonus	(3,088)	(3,088)	(3,088)	0
Other non-ringfenced grants	(1,116)	(1,466)	(1,466)	0
Council Tax income - Arun District Council	(9,160)	(9,160)	(9,160)	0
Council Tax income - Town & Parish Councils	(3,589)	(3,589)	(3,589)	0
Collection Fund deficit / (surplus)	(60)	(60)	(60)	0
Total external finance	(23,220)	(24,015)	(24,120)	(105)
Transfer (to) / from General Fund Reserve	1,874	2,149	1,874	(275)

Appendix B

Housing Revenue Account (HRA) Summary 2015/16

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Actual 2015-16 £'000
Expenditure			
4,798	Supervision and management	4,622	4,468
3,770	Repairs and maintenance	3,958	3,789
2,480	Financing of capital expenditure	2,572	2,096
5,316	Net loan charges	5,250	5,250
16,364	Total Expenditure	16,402	15,603
Income			
(16,141)	Rents (dwellings, garages, hostels, other property)	(16,307)	(16,362)
(598)	Charges for services and facilities	(610)	(729)
(76)	Interest on balance	(27)	(74)
(16,815)	Total Income	(16,944)	(17,165)
(451)	HRA (surplus) / deficit	(542)	(1,562)
(5,927)	Balance brought forward	(2,599)	(6,378)
(6,378)	Balance carried forward	(3,141)	(7,940)

Appendix C

Capital, Asset Management and other projects Summary 2015/16

<i>Portfolio</i>	<i>Original Budget £,000</i>	<i>Current Budget £,000</i>	<i>Outturn £,000</i>
Corporate Governance			
Asset Management	2,078	3,278	1,354
Arun Improvement Programme	450	820	235
Information Technology	690	746	546
Total	3,218	4,844	2,135
Council Strategy			
Economic Regeneration	0	1,300	394
Total	0	1,300	394
Environmental Services			
Land Drainage	0	532	481
Play Areas	100	125	109
Total	100	657	590
Leisure & Amenities			
Leisure Centres	0	50	0
Culture & Heritage	0	18	18
Total	0	68	18
Housing			
Private Housing Services	1,000	1,047	559
Public Housing Services	2,572	9,663	2,349
Total	3,572	10,710	2,908
Planning & Infrastructure			
Registered Social Landlords	100	248	148
Total	100	248	148
Summary			
GENERAL FUND	4,418	8,164	3,844
HOUSING REVENUE ACCOUNT	2,572	9,663	2,349
Total	6,990	17,827	6,193

Capital Receipts 2015/16

	£,000
Balance at 1st April 2015	10,070
Receipts during year (net of pooling)	1,875
Financing of capital expenditure	(170)
Balance at 31st March 2016	11,775

Balance at 31st March 2016 includes £1,956k “1 for 1” receipts which can only be used for the acquisition or building of new housing.

Appendix E

Earmarked Reserves 2014/15

	Balance at 31 Mar 2015 £'000	Net Movement £'000	Balance at 31 Mar 2016 £,000
Delayed capital and special projects	2,101	456	2,557
Pension deficit financing	3,868	236	4,104
Community Services	366	(97)	269
Corporate Governance	2,081	(337)	1,744
Council Strategy	442	1,197	1,639
Environmental Services	202	(45)	157
Housing	418	(14)	404
Leisure & Amenties	551	583	1,134
Planning & Infrastructure	1,429	(260)	1,169
Total	11,458	1,719	13,177

Appendix F

Section 106 Sums as at 31st March 2016

	Affordable Housing £'000	Community Facilities and other £'000	Play Grounds £'000	Open Spaces £'000	Bus Shelters £'000	Non Arun £'000	TOTAL £'000
Lec Site, Shripney road Bognor		104					104
Rustington Retail Park, New Road		106					106
Site 6, Land at North Bersted		48					48
Site 6, Land North of Felpham		126	51				177
The Wick site, Courtwick		109					109
Bognor Regis Community College		6	57	46			109
Fitzalan Road & Church Street	75						75
Hollacre Toddington		44	56				100
Courtwick Lane Land South of Railway*		115			170	412	697
Other**	771		125	106		35	1037
	846	658	289	152	170	447	2,562

* Non Arun: WSCC £265k & NHS £147k

** Non Arun: NHS £35k

AGENDA ITEM NO.8**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
on 17th October 2016****PART A : REPORT**

SUBJECT: Financial Prospects 2016/17 to 2021/22
REPORT AUTHOR: Alan Peach, Head of Finance and Property DATE: October 2015 EXTN: 37558
EXECUTIVE SUMMARY: The Council's Medium Term Financial Strategy (MTFS) covering the period up to 2021/22 rolls forward the data in the existing approved MTFS. The strategy amends certain assumptions contained in it to reflect changes in the Council's circumstances and other issues that have a strategic bearing on the Council's financial prospects.
RECOMMENDATIONS: <ol style="list-style-type: none"> 1. Agree the core assumptions set out in the Medium Term Financial Strategy and the current financial position 2. Note and agree the significant risks to local government finance that have been clearly outlined in the report 3. That the Medium Term Financial Strategy is to be used to set the Budgetary framework in preparing the 2017/18 budget 4. Note the submission of the Council's Efficiency Plan to the Government (Appendix 1)

<p>1. BACKGROUND:</p> <p>1.1 A number of presentations have been made to groups of Members, over the last 18 months, explaining the evolving financial situation, culminating in a report to Full Council on 20th July 2016 by the Chief Executive entitled "The Council's 2020 Vision – Working together for a better future". This report explained that the Council is facing a significant deficit and that phase 1 of the Vision, details were included in a report entitled "2020 Vision programme (including Shared Services)", would not meet this anticipated deficit and further savings would be required. This report contains the latest version of the Medium Term Financial Strategy (MTFS) which will use the most recent information available to quantify the projected deficit. There are still a number of uncertainties primarily because funding from Central Government is based upon growth and this is, inevitably, difficult to project forward. This system is dependent upon increases in housing numbers and Business Rates, but, proposed changes to the system are likely to lead to a significant decline in funding for the Council. The current assumptions</p>

based on growth have been input into the financial model which uses a wide range of strategically important financial assumptions and variables to obtain an informed view on year end balances, and to quantify the potential of any capital programme resources whilst maintaining a minimum level of General Fund balances of £4million. The assessment of the various assumptions is always considered carefully taking a prudent view. An important point to appreciate with a financial strategy is that it consists of a series of assumptions using the best available information to inform a financial forecast.

1.2 It has been considered necessary to make changes to some of the previous assumptions to address both announcements from government and wider economic factors which affect the Council and these have, inevitably, been affected by the “Brexit” vote. The principal assumptions made are:

- Council Tax increases by £5 (Band D equivalent) per annum which is broadly in line with the previous strategy, and will start to address the reduction, in real terms, of the Council Tax Income Base which was frozen for 5 years. It has been assumed that the £5 dispensation will last beyond 2016/17 and cover the whole 4 year settlement, but this could, potentially, be changed due to the new Secretary of State,
- Salary costs increase by 1% for 4 years until 2020/21 to reflect the Chancellor’s announcements on public sector pay but this may have to be revisited if recruitment and retention difficulties are experienced.
- It has been assumed, per the Overview Select Committee (7.6.16) and subsequently Cabinet (11.7.16 ref C/011/110716)), that the Council Tax Reduction scheme will be amended which will result in savings of approximately £100k p.a. .
- There is currently no precise information available from the pension fund’s actuaries surrounding the impact of the triennial revaluation but initial indications are that employer pension contributions will continue to rise at 1% per annum under the current stability agreement. The Council currently also pays approx. £1m p.a. to address pension back funding issues and this is currently financed by a specific reserve, although this is currently forecast to be exhausted by 2020/21. If we are unable to replenish this reserve there will be a commensurate increase (£1M p.a.) in the revenue budget thereafter.
- The details of major contract tendering processes are emerging and these have been reflected in the financial model which have had a significantly beneficial effect
- Following the EU referendum result and the subsequent decrease in the base rate it has been necessary to reduce the projections for interest on our balances

1.3 The strategy is also heavily influenced by the decision to proceed with the new Leisure Centre at Littlehampton. Funds totalling approx. £8.8M have been earmarked for this project and it is intended to supplement this with any one-off income/savings and it is anticipated that the remainder of the projects estimated cost (approx. £16M) will be financed through a combination of grants and borrowing. Every effort will be made to minimise the extent of the borrowing as it impacts upon the revenue account and

would, effectively, negate some of the vision savings that have been made. It is important to note that savings from the new leisure contract are heavily dependent upon a new leisure facility being open in Littlehampton by no later than April 2019.

- 1.4 The enhancements to the capital programme which are recommended elsewhere on this agenda have also been included in the appropriate year along with the expenditure required for the Leisure Centre. The inclusion of future capital schemes, for financial modelling purposes, does not necessarily dictate that these schemes will be included in future budgets. There will also, inevitably, be a requirement for additional investment in our IT systems and infrastructure as systems fall out of maintenance/support and become life expired.
- 1.5 It was explained in the Financial Prospects report, to last November's (2015) Cabinet, that the most volatile and significant variables were New Homes Bonus (NHB) and Retention of Business Rates and that these are driven by the Government's growth agenda as outlined above. This remains the case and the situation has been further confused by a consultation which may, potentially, lead to significant changes to the New Homes Bonus regime and the government announcement that, by the end of this parliament, local authorities would be able to retain 100% of Business Rates. Neither of these factors can be modelled with any degree of certainty and the risk is significant as outlined below.
- 1.6 The short term favourable effects of both NHB and the retention of Business Rates are more than offset by a projected reduction in Revenue Support Grant (RSG) to the extent that it will be negative (£0.43M) by 2019/20. These phased reductions in RSG have been provided by Central Government and they believe that it will provide local authorities with greater certainty. The offer from the Secretary of State is that Council's need to submit an efficiency plan for this phased reduction to be guaranteed and that Councils that choose not to accept the offer, or do not qualify, will remain subject to the existing annual process for determining the Local Government Settlement. Therefore, whilst it may seem perverse to bid to receive these reductions, the DCLG have advised that those that do not accept the offer could be subject to additional reductions depending upon the economic climate. The Efficiency Plan that has been submitted to the DCLG is contained in appendix 1.
- 1.7 The following section outlines a number of risks that are associated with the MTFS and how these may be mitigated.

2. PROPOSAL(S):

2.1 Risks

- 2.1.1 The most serious financial risk that the Council is facing is the fundamental change in Local Government funding as outlined in the preceding section. The NHB is currently subject to far-reaching consultation and there are a number of possible scenarios which give dramatically different results. Probably the most significant question

within the consultation is *“Do you agree that local authorities should lose their Bonus allocation in the years during which their local plan has not been submitted?”* The opinion of our colleagues in the Planning Department is that our local plan has been submitted and this part of the consultation shouldn't affect us but there is clearly a risk as the precise wording may not reflect the intention behind it. We have followed the advice but, there will be no further information until the results of the consultation is published. The government have given no clear indication as to when the results will be published and this could easily be delayed by the additional workload due to Brexit.

- 2.1.2 There are a number of risks around the retention of Business Rates which is the major funding source from central government and will, ultimately, be the sole source. Whilst we have used the best available information there is a risk that the level of business rate appeals will be more than has been anticipated and this risk lies with local government. Looking ahead a future risk is around the 100% retention of Business Rates that will take effect from 2020 as referred to above. There are a number of working groups meeting nationally and it is clear that the scheme has not been formulated so it is not possible to assess the effect on this Council. Furthermore there are plans to reset the system in 2019/20 which will change the current tariffs, top ups and baselines which is likely to adversely affect the growth that Arun has experienced. **In the absence of any firm information it has currently been assumed that the new system would have a neutral impact** Therefore it is clear that there are a number of issues around Business Rates that will have to be closely monitored.
- 2.1.3 Whilst the extent of funding cuts on Arun remains unknown it is vitally important to mitigate, as much as possible, against such significant risks. The most effective mitigation against this risk is firstly to hold sufficient balances to ensure that the Council has enough time to plan and implement any reductions in expenditure and are not obliged to make ill informed decisions. Secondly it is to set a corporate target for reducing the forecast budget deficit and deliver agreed savings as soon as possible which is happening through the Vision programme.
- 2.1.4 As noted above the Vision programme is well underway and the detailed spreadsheet of 38 projects (including shared services) was presented to the Full Council Meeting of 20th July. This list has been analysed and the savings that have a high likelihood of achievement have been included. There is a degree of judgement in this assessment and the Lead for each project has been contacted to assess the likelihood of the project being achieved within that timescale. Once firm proposals emerge they can be input into the financial model and it should be stressed that early savings will have the most positive impact on the bottom line so this should be a key consideration of the Vision discussions. The Vision report to Full Council, referred to above, states the “total project opportunity” for shared services as £2.024M but at this stage this figure is tentative and the allocation across the three authorities is uncertain. Therefore, at this stage, nothing has been included in the model in respect of shared services but it is fully acknowledged that there is significant

potential and a figure will be included once more detail emerges.

2.1.5 As outlined above it is not certain that the Council will be able to increase its Council Tax by £5 (Band D equivalent) per year and this remains a risk, probably, until the settlement is announced in December. It's important to note the cumulative impact of Council Tax increases. If annual increases were limited to 2% rather than the £5 assumed, the deficit in 2020/21 would increase by £0.5m and the total deficit over the length of the forecast would increase by £1.4m.

2.2 Indicative Projections

2.2.1 The following table shows the current situation given all of the assumption and omissions outlined above. These will be, inevitably, be fine tuned as more information becomes available

2.2.2 The effect of the above assumptions are summarised in the table below:-

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Net Expenditure	23,974	22,614	22,494	23,726	25,106	25,671
(Deficit)	(719)	942	706	(666)	(2,089)	(2,833)
Balances	9,442	10,384	11,090	10,424	8,335	5,502

2.2.3 When considering the figures above it is important to consider the issues outlined earlier in the report and, especially, the uncertainty regarding central government funding. It can clearly be seen that the deficit increases sharply in 2020/21 when the earmarked reserve to cover the pension deficit is exhausted. It is anticipated that further projects will be developed as phase 2 of the vision to address the projected deficit Also the projected surpluses in 2017/18 and 2018/19 must be viewed with extreme caution given the high risks associated with New Homes Bonus highlighted above. Conversely there is no allowance made for the potential savings arising from shared services and, again, these can be included once there is more certainty and this will also apply to other vision projects so this document has to be seen as live and evolving. It is clear that the vision programme, in particular letting new contracts, is having a positive effect on the Council's finances.

3. **OPTIONS:**

To accept the assumptions outlined in the strategy

To not accept the assumptions outlined in the strategy

4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		X
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal		X
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability	X	
Asset Management/Property/Land	X	
Technology		X
Other (please explain)		X
6. IMPLICATIONS:		
To formulate the Council's Financial Strategy and to inform any consequent decisions on capital investment and revenue savings plans to be taken by Full Council and Cabinet.		
7. REASON FOR THE DECISION:		
To formulate the Council's Medium Term Financial Strategy and set the financial context and framework for decisions to be taken by the Council		
8. BACKGROUND PAPERS:		
https://www.gov.uk/government/news/spending-review-launched-by-chancellor		

Agenda Item 8 - Appendix 1**Arun District Council Efficiency Plan 2016/17**

The Council's Efficiency Plan has been prepared in response to the Government's offer of a guaranteed minimum settlement (4 year settlement guarantee) for the period to 2019/20. The Plan forms part of the Council's Medium Term Financial Strategy as contained in the Financial Prospects 2016/17 to 2021/22 Report.

Funding

The Council is facing a significant challenge in addressing its forecasted budget deficit in an increasingly uncertain environment and increasing risk.

The Strategic Direction of the Council

The Medium Term Financial Strategy (MTFS) 2015-2021 as approved by Cabinet on 16 November 2015 identified increasing budget deficits starting in 2017/18 resulting the Council's reserves being depleted by the end of 2020/21 if the Council did not change. The Council agreed to take steps to become more self-sufficient by increasing controllable income and increasing Council Tax which had remained frozen since 2010.

The current MTFS 2016-2022 shows that the Council has already closed some of the gap, with the Council's budget forecast to remain balanced until 2019/20. However, after that date the situation becomes significantly worse an increasing reliance on reserves to provide resilience.

Full Council (13 January 2016) agreed the route to being a better Council in the future included the Council being: Easier to deal with; Getting things right first time; Doing things as quickly as possible; Better understanding of what we can and cannot deliver; Being more aware of performance and; Balancing our budget

The Council's priorities are linked to the four 2020 Vision Statements:

- Your Services
- Supporting you
- Your future
- Providing the best services we can afford to help improve your life

The Vision 2020 programme (Working together for a better future) has been established to provide strategic direction to help the Council become more effective and sustainable and to enable it to meet future demands that are placed upon it. Full Council agreed phase 1 of the Vision programme and details were included in a report entitled "2020 Vision programme (including Shared Services)". The Council is facing a challenging financial climate and changing customer expectations. The Council's aim is to strengthen relationships with local organisations and communities offering more digital opportunities to make interaction with the Council less complicated. The strands of the Vision programme are:

- Offering a better customer experience
- Strengthening external relationships
- Providing more digital online services
- Becoming smaller but more effective

The Council's Medium Term Financial Strategy Forecast

	2016/17 £'000s	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s
Net Expenditure	23,974	22,614	22,494	23,726	25,106	25,671
(Deficit)	(719)	942	706	(666)	(2,089)	(2,833)
General Fund Balance	9,442	10,384	11,090	10,424	8,335	5,502

The Council has already made significant savings (£1M) on the retendering of major contracts and other areas including the restructuring of senior management and optimising income. Total phase 1 savings have the potential of achieving between £1.9M and £3.6M (detail contained in Vision update report cabinet 17 October 2016).

In order to become more self-sufficient the Financial Strategy assumes that Council Tax is increased by £5 on Band D for the length of the forecast

Transformation investing in Assets

By investing in a new Leisure Centre in Littlehampton and improvements at the Arun Leisure Centre the Council has secured significant financial benefits through its Leisure Contract. Other areas have included the investment in Beach huts and investigation into a Local Housing Company

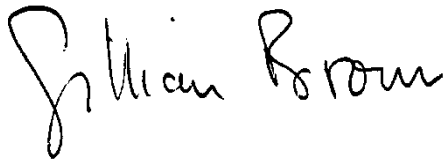
Transformation Shared Services

The MTFS does not reflect the phase 1 Vision savings related to Shared Services. The Council is currently working with Chichester and Horsham District Councils developing detailed business cases for shared services. The services currently under consideration are: Internal Audit; HR/ Payroll; ICT; Legal; Revenues/ Benefits and Customer Services. The outline Business Cases showed an indicative saving of in the region of £2 million (to be shared among the Authorities). It is anticipated that these proposals will go to full Council in February 2017.

The Council Transformation Programme phase 2

There will be a further service related review once phase 1 of the new management structure has been approved.

This Efficiency Plan is endorsed by:



Councillor Mrs Gillian Brown
Leader of the Council



Nigel Lynn
Chief Executive

Additional Information:

Update on the Council's 2020 Vision Report Cabinet 17 October 2016
Financial Prospects 2016/17 to 2020/21 Cabinet 17 October 2016
Budget Report 2016/17 Council 23 February 2016
Vision Report Council January 2016
Financial Prospects 2015/16 to 2019/20 Cabinet 11 November 2015

AGENDA ITEM NO. 9**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17th October 2016****PART A : REPORT****SUBJECT: Award of Contract - Banking Services 2017 to 2022****REPORT AUTHOR: S Southerton (Senior Accountant - Treasury)
DATE: September 2016 EXTN: 37861****EXECUTIVE SUMMARY:**

The Council's contract for corporate banking services was tendered in accordance with current procurement legislation and Standing Orders. The report provides a brief summary of the procurement process and details the results of the tender evaluation. A recommendation for the award of the contract is provided based on the results of the tender evaluation process. An Open (one stage) OJEU tender process was followed. The contract was evaluated, using a;

40% price and 60% quality matrix.

RECOMMENDATIONS

It is recommended that the Cabinet note the award of the Banking contract to the highest scoring tender (Supplier A) being the Most Economically Advantageous Tender to provide the corporate banking service for a period of 5 years from 1st April 2017, with an option to extend for up to a further 5 years.

1. BACKGROUND:

The Council's current banking services contract expires on 31st March 2017. Tenders were last sought in 2006 (effective from 1 April 2007) for a 5 year period with the option to extend the contract for a further 5 years. The option to extend the contract was exercised.

To adhere to the Public Contract Regulations 2015 an open (one stage) OJEU tender process was undertaken for the procurement of the corporate banking services for a 5 year contract, with an option to renew for a period of up to a further 5 years. The Council received 3 completed tenders returned by the specified date.

2. PROPOSAL(S):

An open EU tender for the corporate banking services was undertaken on the Most Economically Advantageous Tender (MEAT) basis whereby technical ability was evaluated along with the service charges offered.

The Council received 3 completed tenders returned by the specified date.

The results of the combined price quality are summarised in the table below:

Bank	Weighted Price Score %	Weighted Quality Score %	Combined Price & Quality Score %	Ranking
Supplier A	40.0	46.4	86.4	1
Supplier B	29.4	48.6	78.0	2
Supplier C	35.5	38.4	73.9	3

3. OPTIONS:

- a) Agree the award of the banking services contract to Company A.
- b) Not to award the banking services contract

4. CONSULTATION:

Officers in Accountancy Services have been involved in the drafting of the service specification and the evaluation process as the main users of the banking services contact.

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	
Financial	✓	
Legal		✓
Human Rights/Equality		✓
Community Safety		✓
Sustainability		✓

Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓

6. IMPLICATIONS:

Legal: The suppliers' contractual terms and conditions for the banking services contract will need to be reviewed by legal services.

Financial: There will be a cost to implement the systems for the new supplier, however, the estimated cost is well below the lifetime cost of the contract.

7. REASON FOR THE DECISION:

To ensure compliance with the Councils' Standing Orders relating to Purchasing, Procurement, Contracts and Disposals.

8. BACKGROUND PAPERS:

None

AGENDA ITEM NO.10**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 30th September 2016****PART A : REPORT****SUBJECT: Business Rates – Discretionary Relief partly occupied relief****REPORT AUTHOR: Iain Bell DATE: 12th September 2016 EXTN: 37633****EXECUTIVE SUMMARY:**

Under Section 44a of the Local Government Finance Act 1988 discretionary rate relief may be granted where a property is partly occupied for a temporary period. It is the local authority which has discretion whether to grant relief. As local authorities receive a significant share of business rate income under the rates retention scheme the award of section 44a relief in respect of a high valued property carries significant cost implications for the Council.

RECOMMENDATIONS:

It is therefore proposed that with effect from 1st April 2017 to limit the gross rateable value before any proposed section 44a changes are considered, to £12,000. Properties with a rateable value (RV) of over £12,000 would not be eligible for relief. Only in exceptional circumstances would the application be considered by a relevant Director, in consultation with the Head of Finance and Property, if the value exceeds this amount.

1. BACKGROUND:

Under section 44a of the Local Government Finance Act 1988 discretionary business rates relief may be granted where a property is partly occupied for a temporary period.

It is a local authority discretion whether to grant the relief.

This type of rates relief is put into effect by splitting the hereditament (business rated property) into occupied and unoccupied parts with the rateable value divided between the parts. Relief is then granted on the unoccupied part.

Previous to the 1st April 2013 there was no cost to an authority when relief was granted. However, with the introduction of the Rate Retention scheme from April 2013 any new relief granted carries a cost implication.

Under the rates retention scheme business rate income is shared between Arun (40%), West Sussex County Council (10%) and the Government (50%) so that Arun bears 40% of the cost of any s44a relief granted. However, this additional cost will reduce the levy Arun is required to pay on net business rate growth. The reduction in the levy will also have implications for the West Sussex Business Rate pool of which Arun is a member. The full financial implications in respect of every £100,000 of s44a relief granted are set out below:-

	Arun	WSCC	West Sussex pool	Government	Total
	£'000	£'000	£'000	£'000	£'000
Loss of rate income	40	10	0	50	100
Reduced levy	-20	0	20	0	0
Net cost	20	10	20	50	100

The table above is based on the current system of business rate income allocation, it's worth noting that the Government intends to introduce full local rate retention with effect from 2020. At this point Arun's procedures for granting rate reliefs – including s44a relief – will need to be reviewed as the cost implications of granting reliefs will almost certainly be significantly different than under the current arrangements.

If relief is granted in respect of a high value hereditament, this impacts significantly on the council's overall financial position. For example, awarding relief of £250,000 would cost Arun £50,000.

It is therefore proposed to limit the gross rateable value before any proposed applications for relief are considered to £12,000. In exceptional circumstances, where the rateable value is over £12,000, an application maybe considered by a Director in consultation with the Head of Finance and Property. For example as part of an economic regeneration initiative.

The figure of £12,000 was chosen because it will represent the threshold at which ratepayers will not receive 100% Small Business Rates Relief. These proposed changes would therefore allow the council to continue to support small enterprises whilst not having a significant adverse impact on the Council's overall financial position.

As these changes will only affect new applications it's very hard to gauge the potential impact. However having checked the business rates database the impact would appear to be limited.

2. PROPOSAL(S):

To continue to support local small businesses whilst also taking into account the potential impact of any temporary relief for partly occupied properties.

3. OPTIONS:		
Option 1 – to limit the award from 1 st April 2017 to properties with a rateable value of £12,000 RV or below.		
Option 2 – no change / propose a different rateable value level.		
4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		X
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal	X	
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land		X
Technology		X
Safeguarding		X
Other (please explain)		X
6. IMPLICATIONS:		
The financial implications are described in the 'background' section of this paper		

7. REASON FOR THE DECISION:
A recent case 'cost' the council a significant sum.
A policy decision of this nature may reduce the likelihood of applications being made in future from large organisations.

8. BACKGROUND PAPERS:
Section 44a of the Local Government Finance Act 1992

AGENDA ITEM NO.11**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17 OCTOBER 2016****PART A : REPORT****SUBJECT: Establishment of a Wholly Owned Local Authority Housing Company****REPORT AUTHOR: Andy Elder DATE: 22 September 2016 EXTN: 37714****EXECUTIVE SUMMARY:**

As part of the Council's 2020 Vision Programme, a Cabinet Working Party (CWP) has been reviewing various documents for creating a Wholly Owned Local Authority Housing Company/s (WOLAHCo). The purpose of the Company/s would be to develop residential housing and other appropriate schemes to generate an additional income stream for the authority via company dividends. The company would operate independently from the Council on a commercial basis with its own Board of Directors appointed by Cabinet.

It is proposed that to ensure sufficient time and resources are available that the reporting to Cabinet process for the creation of the housing company be split into two stages. This initial report recommends that the Cabinet agree the principle and purpose of establishing a wholly owned local authority housing company, and that it authorises officers to prepare detailed proposals, seek appropriate external legal and financial advice and develop business plans for this work and report back to Cabinet for the necessary approvals to set up the company.

A further report to Cabinet will include the following actions and recommendations:

- That, subject to a satisfactory business case being made, a Council owned housing development company is created to build homes for sale and rent;
- That the company articles of association be incorporated once the business case is approved;
- Any loan requirements as set out in the business plan be repaid to the Council at a rate of interest to be approved by the S151 Officer;
- Approval of a supplementary estimate (to be agreed) for working capital to enable the Company to start transacting. The working capital is to take the form of an unsecured loan agreement and will accrue a rate of interest to be determined by the S151 Officer;
- Delegates to Chief Executive in consultation with the Leader of the Council;
 - The drafting and approval of all other documents necessary to govern the company and to manage the relationship between the Council and the Company;
 - The establishment of a Shadow Board;
 - The appointment of directors to the Company and Shadow Board;
 - To arrange the provision of indemnities for officers and members as directors of the company board under the Local Authorities (indemnities for Members and Officers) Order 2004;

RECOMMENDATIONS:

It is RECOMMENDED that the Cabinet:

1. Agrees the principle and purpose of establishing a wholly owned local authority housing company (WOLAHCo) subject to the production and approval of a satisfactory business case.
2. Requests that Full Council to approve a supplementary estimate of up to £130,000 (equating to a Band D Council Tax of £2.25) to cover the costs of setting up the Shadow Board and the Company which includes all the necessary legal, financial and due diligence checks which must be completed to a satisfactory standard and externally audited if deemed necessary by the Chief Executive.
3. Recommends to Council that the Council's constitution be amended to explicitly include in the terms of reference for the Cabinet, in its role to oversee the activity of any separate legal entity within which the Council has an ownership interest.
4. Approves the Company objectives as agreed by the Cabinet Working Party and set out in paragraph 2.14 of this report.

1. BACKGROUND:

- 1.1 The government has reduced the funds awarded to local government in recent years, requiring councils to find greater efficiencies in the way that they provide services to meet the needs of our communities. The Council's 2020 Vision programme has identified the need to create additional revenue streams that can be used to fund those vital front line services. Government intervention in the building sector since the financial crisis of 2008 has been significant in terms of cash, but questionable in terms of its cumulative policy impact. The credit crunch and the collapse of the mortgage and land markets led to a major gap between the value of major housebuilders assets and the new market price for housing, reflected in a widespread lack of viability for current and future sites.
- 1.2 Across England councils are now actively taking forward measures to establish, or are in the process of establishing, a variety of housing models to develop homes, and using a mix of financing options to fund either new housing development schemes and/or purchase existing housing on the open market. The ethos behind each of these models varies, some include developing additional affordable housing whilst others concentrate their efforts primarily on commercial activities to maximise returns to the council. The opportunity to set up a housing company in Arun fits with the central government expectation that local authorities will in future play a more active role in housing delivery and in shaping their local housing market.
- 1.3 To date 45 councils have been established WOLAHCo's to deliver new housing in their areas with the vast majority using investment from the Public Works Loan Board (PWLb) to finance their activities. Whilst most authorities have examined the option of various capital funding options, including the issuing of bonds, the vast majority have chosen to use the flexibility and competitive rates currently offered by the PWLB.

2. PROPOSAL(S):

- 2.1 Once the recommendations in this report are approved, and subject to a satisfactory business case being made, work can commence to progress the set-up of the housing company in Spring 2017. This will provide officers with the necessary time to test the business case and progress the detailed business plans and appropriate governance arrangements with our consultants. The financial due diligence arrangements will include illustrative business planning and financial modelling. This will consider illustrative potential

development activity and the pay-back of loans required to facilitate the development activity over the standard business case cycle of 30 years.

- 2.1.1 The recommended supplementary estimate of up to £130,000 to cover the costs of setting up the Shadow Board and the Company will include all the necessary legal, financial and due diligence work which must be procured to ensure the Company is set up appropriately. This will include the initial work to produce the business case and illustrative business plan which will both need to be externally validated by appropriate professional advisors.

Legal authority to establish a housing company

- 2.2 Powers to establish a WOLAHCo are contained within the Local Government Act 2003. The legislation establishes the principle that local authorities can trade, through a company, with other companies, authorities or individuals, either within or beyond the district council boundaries. Within this legislation however trading can only be in relation to an existing function of the local authority, such as housing. The Localism Act 2011 further extended these powers, allowing local authorities to participate in trading activities not necessarily related to any existing functions of the authority. Importantly, both legislative frameworks require local authorities to establish a company structure in order to generate a source of income. A local authority trading company would have the power, for example, to trade for profit. The legislation also requires that a detailed business case is considered by the Council and approved before any trading can commence.

- 2.3 The 2020 Vision Programme identified a number of opportunities for developing business cases to allow the Council to take forward a number of options to generate income from commercial services. One of the suggested business cases is the option to establish a WOLAHCo. This idea has been progressed via a formal project overseen by a Cabinet Working Party with external consultancy provided by Eastbourne Borough Council and Cornerstone Assets. The project proposal is now to establish a company, centred on developing housing for sale and rent outside of the HRA, and to now translate the initial idea into commercial reality.

Purpose and objectives of the housing company

- 2.4 In agreeing, in principle, to establish a WOLAHCo the Council needs to consider the objectives of any company and the outcomes that could potentially be achieved. These objectives and outcomes need to be framed within the context of the 2020 Vision Programme and the Council's agreed Corporate Plan.

When considering the establishment of a WOLAHCo. the Cabinet Working Party identified the following potential opportunities:

- The provision of market and affordable housing (including shared ownership) for the people of the Arun district;
- The cross-subsidy of market and affordable homes and the ability to provide new homes without Government subsidy;
- The use of Council assets (HRA and General Fund) for the delivery of housing;

Financial and operational considerations

- 2.5 All the necessary financial considerations in establishing and operating the Company will be set out in the Business Case and illustrative business plan which will be the subject of a detailed follow up report to Cabinet. A detailed business case for the Company will need to be prepared which includes financial modelling on items such as the financial viability of the company, risk and relevant sensitivity analysis. This modelling, and the associated risk and sensitivity analyses, will need to be undertaken for both the Company and the Council itself. Proposed activities and schemes would need to be modelled to ensure that they are

financially viable before the Company progresses an activity or scheme. Therefore, other specialist advice will need to be commissioned and considered prior to the Council approving that the Company can begin trading.

2.6 The Company will need to competitively procure and appoint a contractor/developer to build the properties and a sales agent to market them for sale when they are built and comply with European Union procurement requirements as appropriate. As the Council would be exercising control of the Company, there may be a need for it to provide guarantees under any contract entered with a developer due to lack of any trading history of the Company at the beginning of its life. However, such guarantees would not extend to the Company's liabilities and indebtedness in the future unless the Council chose to provide such guarantees.

2.7 It should be noted that Section 4(1) of the 2003 Local Government Act provides the Secretary of State with the power to impose restrictions in relation to borrowing by local authorities and under Section 4 (2) the Secretary of State can, by direction, set limits on borrowing by a particular authority for the purpose of ensuring that the authority does not borrow more than it can afford. There is therefore a risk that the Government might in future impose borrowing caps nationally and/or locally in relation to General Fund borrowing. Given that a company controlled by a council would have its accounts consolidated with the council's accounts, this cap might also affect upon the Company's borrowing capabilities.

Proposed company structure

2.8 It is proposed that the Arun WOLAHCo will be registered as a company limited by shares, with the Council owning 100% of the shares as this will enable it to trade and generate surpluses from trading activity and distribute proceeds back to the Council via dividends as the only shareholder. This approach will also safeguard that the Company, although owned by the Council, would be a separate legal entity with its own identity, staff and board of directors. However, it could have its registered office address as the Civic Offices to keep costs down and use Council support services (although the company could chose to procure such services from elsewhere).

2.9 The Company's primary purpose is to act as a commercial entity and make a financial return from developing housing for sale or private rent. The form of corporate structure chosen will largely determine the ability of the Council to receive a financial return from the Company.

The Council operating as a Funder to the Company

2.10 The primary task for the Council when acting as a Funder will be to assess the Company's viability as an entity and the viability of each project for which loan funding is being sought. Consideration of a number of factors will be taken into account to determine whether to release loan funding to the Company such as the value of assets available to be used as security, state aid compliant equity verses debt ratios for the Company, policy compliance and acceptable level risk exposure as the only Shareholder. The key areas for the Council in its role as a Funder will want to be satisfied with prior to providing funding for a development are likely to include:

- that the financial modelling demonstrates that the loan will be repaid;
- that any loans accord with the Council's approved loan policies, notably with regard to security considerations;
- there is confidence that the projected rental stream can be maintained;
- that the base level sensitivities, which would in turn trigger warning signals, for the Company's general performance of each proposed development are properly set and

- that a sufficient margin is added to the base level to provide reassurance;
- that any loan is state aid compliant;

2.11 The name of the Company is an important issue. To stress its commercial aims and remit across West Sussex and beyond it is considered beneficial to select a name that is not immediately linked to the Council. It is proposed to delegate the selection of an appropriate name to the Shadow Board acting in consultation with the Chief Executive and Leader of the Council.

The relationship between the Council and the Company

2.12 The Council has a number of ways in which it can legitimately guide the activities of the Company, including:

- as a shareholder – appointing and removing directors, signing off the Company's annual business plan, and signing off any changes to the Company's Memorandum and Articles of Association;
- as a land owner – making available land (either General Fund or HRA) to the Company, and deciding whether to dispose of particular sites to the Company. *Note – disposal must be at a market value so as not to contravene State Aid regulations and satisfy the Councils' Local Government Act 1972 Section 123 duty to obtain the best consideration that can be reasonably obtained;*
- as a funder – deciding whether to make loans to the Company. It is considered that it would be difficult for the newly formed Company to secure affordable loans by any other means. *Note – loans must be set at commercial rates so as not to contravene State Aid regulations;*
- as a strategic housing authority – as when working with a housing developer, directing the required affordable housing mix and/or the need for specialist housing on sites in line with the relevant planning policies;
- as a planning authority – as with any housing developer, assessing whether a particular proposal by the Company meets the Council's planning requirements;

Governance arrangements

2.13 With regard to the governance arrangements, the Cabinet would be responsible for ensuring the Company delivered all development in accordance with the agreed business plan and would receive performance reports as required by an operating agreement between the Council and the Company. The Cabinet will also be responsible for approving any variations to the delivery of the business plan; further scrutiny could also be undertaken if required by the Overview and Scrutiny Committee. The Council as the only shareholder would appoint all the Directors of the company, and the Shadow Board which would be created up to oversee the set-up of the Company.

Company vision

2.14 The vision for the WOLAHC Co, as endorsed by the CWP, is to establish suitable commercial activities to address shortfalls in the future revenue streams for the Council as set out in the Council's 2020 Vision programme. The proposed objectives for the company are to:

- I. Promote financial sustainability: the investment in housing, commercial realisation of assets and the delivery of related surpluses to provide a significant contribution to the Council's overall financial position;
- II. Maximise housing supply and meet strategic housing priorities: both directly and through the market to facilitate strategic sites across the district;
- III. Promote sustainable communities;
- IV. To participate in economic delivery and regeneration through:
 - a) The delivery of a portfolio of homes and sites for sale and rent including market,

<p>affordable, self-build, custom build, shared ownership, starter homes, student accommodation and schemes for the elderly;</p> <p>b) The acquisition, improvement, assembly, development and disposal of land, including HRA and General Fund land by leasehold or freehold to produce a profit for the company;</p>		
3. OPTIONS:		
<p>3.1 There is an option not to create a housing company but this is not recommended (unless a satisfactory business case cannot be made), as the objective is to establish a suitable vehicle to create future revenue streams for the Council. A Wholly Owned Local Authority Housing Company (WOLAHCo) would be the Council's preferred delivery option for meeting its objectives particularly in relation to development projects on the Council's land which are deemed to be either straightforward, or of intermediate complexity.</p>		
4. CONSULTATION:		
A Cabinet Working Party has undertaken detailed consultation.		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (Cabinet Working Party)	✓	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability	✓	
Asset Management/Property/Land	✓	
Technology	✓	
Safeguarding		✓
Other (please explain) Staffing In the first instance, the Council may need to second staff	✓	
6. IMPLICATIONS:		
Full Council will need to approve a revision to the Council's Constitution in respect of the terms of reference for Cabinet for it to supervise the operation of any company with which the Council has a controlling interest.		
7. REASON FOR THE DECISION:		
To provide the in principle authority to establish a housing company wholly owned by the Council. Subsequent permissions will be required before the company can commence trading.		
8. BACKGROUND PAPERS: Risk register (see Appendix 1)		

Risk Profile

Likelihood	4 Certain			12	
	3 Probably			4, 11	2,5
	2 Possible			1,3,7,13	6,8
	1 Unlikely			10	9
IMPACT		1 Insignificant	2 Marginal	3 Significant	4 Severe

Risk No	Risk Scenario Title
1	Market
2	Property
3	Commercial
4	Finance
5	Pipeline
6	Governance
7	Resources
8	Approvals
9	Political Change
10	Regulatory Change
11,12,13	Brexit

Draft Risk Register for Arun Housing Company					
Risk No	Rating	Vulnerability	Trigger	Risk Consequences	Current Controls/Mitigating Actions
1	6	Property development is not a business as usual function for the LA so there will be inexperience. Lack of market knowledge, and market trends.	Market does not support the establishment of LHC	LHC is not a viable commercial organisation and does not become established	Undertake detailed market research and review existing policies to establish that there is sufficient opportunity in the market. Identify other opportunities that allows the LHC to maintain its commercial viability.
2	12	Identified sites are earmarked for other uses or sold to private developer because the LHC is unable to secure them in time. LHC is not able to source adequate funds for purchase (if required)	Existing asset/Development opportunities are limited	LHC cannot sustain its commercial viability	Undertake detailed review of all existing and surplus assets for development opportunity, including public assets not controlled by the district council. Identify other opportunities that allows the LHC to maintain its commercial viability.
3	6	Lack of experience in the sector and market means commercial proposal is unrealistic.	Proposed LHC model not commercially viable	LHC is not established.	Ensure robust options are developed and priced to test commercial viability. Run sensitivity analyses. Ensure market and opportunity is understood. Review the options and undertake further commercial assessment. Review other opportunities such as extending the scope of the LHC to external to the LA.
4	9	Government funding is limited, reducing or not available. Bids for funding are not accepted.	Alternative funding sources are inadequate	Limited funds are available so commercial viability of LHC is tested.	Ensure that the model is not dependent on external funding sources and can sustain itself using the established pipeline. Review funding sources, and identify projects that will sustain the company, prioritise projects that make commercial sense.
5	12	The number of sites and/or development opportunities is finite, proposed projects are not commercially viable or sustainable.	Pipeline is not sufficient to sustain company	LHC delivers the immediate projects, pipeline dries up affecting funding sources and LHC is disbanded.	Ensure a robust pipeline is identified within the district, if the pipeline is finite, develop a plan for resourcing and managing the wind down and ongoing management if any. Ensure there is a robust resource plan in place and a close down plan in the event that projects dry up. Review ongoing management opportunities for commercial viability.
6	8	Experienced board members are unavailable or engaged on other projects. Projects are not prioritised highly enough and are not supported.	Company governance is ineffective	LHC fails to deliver on projects.	Ensure robust governance structures are established including board and executive structure, team resourcing and thresholds. Board reshuffle if appropriate, and assess project team for efficiencies.

Draft Risk Register for Arun Housing Company					
Risk No	Rating	Vulnerability	Trigger	Risk Consequences	Current Controls/Mitigating Actions
7	6	Lack of experienced staff, secondment opportunities are not attractive.	Company staffing is inadequate	Staffing required for projects has been misjudged leading to failure to deliver on projects due to lack of resource.	Identify the ebbs and flows within the programme to manage the resourcing. Develop a core team and supplement with secondments from the Local Authority/contractors/consultants/associates where appropriate. Outsource not urgent activities to consultants/contractors or put on hold. Look at secondment opportunities. Ensure there is career progression, training etc for staff to motivate.
8	8	Members don't buy into the LHC proposal so it is not supported.	Business case not approved by Cabinet	LHC is not approved and is not established.	Ensure that robust options analysis and financial analysis is undertaken to support the commercial case. Ensure that adequate market research has been done and that there is sufficient pipeline to support the LHC. Ensure the business case is well drafted and executed. Review of business case and seek clarification on where the issues are. Develop a strategy to address these issues.
9	4	Council is not prepared for the impact of national policy change.	Changes in central government policy and the new planning bill have significant impact on deliverability of schemes	Project deliverability affected as policy issues and requirements change rendering projects undeliverable or failing to meet policy requirements.	Ensure staff and project team are kept abreast of policy changes and understand the impact of these. Run models of different policy change scenarios to assure project viability. Understand funding streams and ability to access, identify projects within the programme that are not affected by policy and can be fast tracked to maintain momentum.
10	3	Council is not prepared for the impact of regulatory changes.	Changes in EU or national law impacts on deliverability of schemes	Projects could be delayed and momentum is lost.	Identify schemes that can be fast tracked to avoid any changes in law to maintain momentum. Maintain 'horizon scanning' to provide early warning of any potential regulatory change and prepare accordingly.
11	9	Brexit vote outcome leads to uncertainty in the markets	Decision to trigger the EU exit process	Land and property values drop particularly at the high end as foreign buyers are reluctant to invest which will flow down; cost of finance will fluctuate; labour costs will increase and availability will decrease; mortgage availability is reduced and developers	Monitor the current market situation. Ensure project viability is suitably robust to withstand fluctuations in cost and price, with built in buffers. Engage with developers to test appetite early in the process, and begin marketing. Identify and target suitable developers as prospective partners for delivery.
12	12	Brexit affect: Change in government leadership	Decision to trigger the EU exit process, and the implementation of any policy changes	Support for the new leader on decisions and policies is questioned so market is reluctant to engage.	Monitor the current political situation. Ensure project viability is suitably robust to withstand fluctuations in cost and price, with built in buffers. Engage with developers to test appetite early in the process, and begin marketing. Identify and target suitable developers as
13	6	Brexit affect: Unpredicted changes and adjustment to housing policy	Implementation of new housing policies or changes to existing.	Project deliverability affected as policy issues and requirements change rendering projects undeliverable or failing to meet policy requirements.	Monitor the current policy situation. Ensure staff and project team are kept abreast of policy changes and understand the impact of these. Run models of different policy change scenarios to assure project viability. Understand funding streams and ability to access, identify projects within the programme that are not affected by policy and can be fast tracked to

Draft Risk Register for Arun Housing Company

Risk No	Rating	Vulnerability	Trigger	Risk Consequences	Current Controls/Mitigating Actions
1					

AGENDA ITEM NO.12**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17 October 2016****PART A : REPORT****SUBJECT: HRA SUPPLEMENTARY ESTIMATE****REPORT AUTHOR: Brian Pople DATE: September 2016 EXTN: 37718**

EXECUTIVE SUMMARY: This request seeks Cabinet Approval for a HRA Supplementary Estimate of up to £691,000 to be spent on acquiring properties. The expenditure will ensure the amount of '1 for 1' receipts identified for expenditure by December 2016 is committed.

RECOMMENDATIONS

1. That a HRA Supplementary Estimate of up to £691,000 is approved to purchase properties up to a total value of £691k. The supplementary estimate equates to a weekly rent of £3.93 per dwelling.
2. That authority be delegated to the Cabinet Member for Housing, Head of Finance and Property, and Head of Housing to approve the purchase of property up to the total value of £691k.

1. BACKGROUND:

- 1.1 The Council has committed to building or acquiring 33 houses consisting of 22 at Wick, Littlehampton, 2 at Glenlogie, Bognor Regis and 9 on a private development in Barnham.
- 1.2 A contract is in place for the 9 homes at Barnham and work has commenced. Similarly the final stages in terms of moving forward with the development at Wick and Glenlogie are being finalised with the first sites for new parking and housing being handed over to the contractors before the end of September 2016.
- 1.3 The Council has signed up to an agreement with the Department for Communities and Local Government (DCLG) to retain the additional receipts ("1 for 1") generated by the relaxation of the Right to Buy discount rules, subject to these receipts being used for the provision of new social housing and Arun matching every £30 of receipts with £70 of its own funding. A further condition is that the receipts must be spent within three years, failing which they must be returned to the Government plus interest at 4% above base rate.

The Council can also choose to allocate the "1 for 1" receipts to a Registered Social Landlord (RSL) to offset their building costs and encourage development within the District.

- 1.4 The table below give details of the amount of “1 for 1” retained receipts along with the commitment shown against the Councils two housing schemes:

Current commitment estimate					
Expiry Date	Retained Receipts	Total Spend Required	Garden Crescent	Wick & Glenlogie	Difference
31/12/2016	£ 207k	£ 691k	£ 315k	£ 250k	-£ 126k
31/03/2017	£ 129k	£ 430k	£ 300k	£ 800k	+£ 670k
30/06/2017	£ 357k	£1,193k	£ 400k	£1,000k	+£ 207k
30/09/2017	£ 147k	£ 490k	£ 85k	£1,000k	+£ 595k
31/12/2017	£ 179k	£ 597k		£ 800k	+£ 203k
31/03/2018	£ 81k	£ 270k		£ 200k	-£ 70k
30/06/2018	£ 57k	£ 190k			-£ 190k
30/09/2018	£ 96k	£ 320k			-£ 320k
31/12/2018	£ 341k	£1,137k			-£1,137k
31/03/2019	£ 290k	£ 967k			-£ 967k
30/06/2019	£ 303k	£1,010k			-£1,010k
Total	£2,188k	£7,295k	£1,100k	£4,050k	£2,145

To date the Council has complied with all the terms of its agreement with the DCLG and has accordingly not been required to return any of the “1 for 1” receipts to the Government. It was anticipated that the phasing of the schemes at Garden Crescent, Glenlogie and Wick would enable the Council to continue to comply with all the terms of the agreement, but this may not now be the case. Due to the timing of the building works an element of uncertainty will be introduced with the possibility of bad weather, which has the potential to disrupt planned works, especially in the beginning of the early stages.

The immediate concern is the quarter ending 31 December 2016:- under the terms of its agreement the Council is required to spend £691,000 by the end of this quarter. Failure to do so will result in Arun being required to repay £207,000 (30% of the £691,000) to the Government, plus interest.

- 1.5 To ensure that the Council does not need to hand back any of the “1 for 1” receipts relating to the scheduled spend at 31 December 2016, it is proposed that a HRA Supplementary Estimate of up to £691,000 is approved to fund the purchase of ex Right to Buy and Shared Ownership properties. By taking these steps the use of the “1 for 1” receipts until 31 December 2016 is assured and additionally the Council will be adding much needed stock, at a time when the Housing Waiting List is approximately 1,000.

- 1.6 It is important for this Council to give close consideration to how it wishes to proceed with the use of “1 for 1” receipts. These receipts continue to accrue and increase the Council’s requirement to spend additional resources on acquisition and/or new build (every £30 of “1 for 1” receipts must be matched by £70 of Arun’s own resources). Careful consideration needs to be given to alternative options:- either allocating the receipts to local RSL’s (who then take on the responsibility for matching every £30 of receipts with £70 of their own funding) or returning the receipts to the Government. It’s worth noting that the agreement allows for a mixture of these approaches, so there is nothing to stop the Council from retaining some receipts for its own use, allocating some to RSL’s and returning some to

Government.

1.7 In terms of the HRA Account's ability to support future investment in Housing Stock, account will need to be taken of the on-going 1% annual rent reduction along with the impact of other initiatives yet to be introduced, including the sale of high value council houses, Pay to Stay and Universal Credit. The possible formation of a Local Housing Company could of course assist in moving this issue forward in the longer term.

1.8 Financial Commentary from Head of Finance and Property

The HRA is running at a deficit and this is expected to continue for the next 5 or 6 years. As a result the HRA balance is steadily reducing. This is before the two levies (relating to high value properties and high earning tenants) are taken into account. Whilst the scale of these levies cannot yet be estimated there is a strong risk that one relating to the sale of high value properties could be significant. The supplementary estimate will put additional pressure on already scarce HRA resources and increase the risk that the HRA balance will fall below the recommended minimum level of £2m at some point in the near future.

It's worth noting that the additional pressure on HRA resources as a result of approving the supplementary estimate will be £691,000, compared with £30,000 (the interest penalty) if the supplementary estimate is not approved and the receipts relating to the quarter in question are returned to the Government.

2. PROPOSAL(S):

2.1 That consideration is given to a HRA Supplementary Estimate of up to £691,000 for the purchase of properties. This action will ensure that the "1 for 1" receipts shown in the schedule at 1.4 are committed and will result in increasing Council Housing Stock.

2.2 It is proposed that delegated authority is given to the Cabinet Member for Housing, Head of Finance and Head of Housing to approve the acquisition of properties up to a total value of £691k.

3. OPTIONS:

1. To proceed with the Supplementary Estimate and acquire properties up to the value of £691k which will ensure that "1 for 1" receipts up to 31 December 2016 are committed.
2. Not to proceed with the Supplementary Estimate and acquire ex Council Right to Buy or Shared Ownership properties up to the value of £691k, which may result in repaying the "1 for 1" receipts, should the Housing Development not progress as planned.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓

Other groups/persons (please specify) (Housing)	✓	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability	✓	
Asset Management/Property/Land	✓	
Technology		✓
Other (please explain)		✓

6. IMPLICATIONS:**Financial**

A HRA Supplementary Estimate will effectively reduce the option for investment elsewhere on Housing Stock, including Sheltered Schemes.

Sustainability

The acquisition of ex Council Right to Buy stock or Shared Ownership properties will provide housing for those on the waiting list and help slow the overall reduction in housing stock.

Asset Management/Property/Land

The cost floor will give a measure of protection against Right to Buy.

7. REASON FOR THE DECISION:

To approve a Supplementary Estimate of £691,000, which will support purchase of ex Council Right to Buy or Shared Ownership properties, which will ensure that the "1 for 1" Receipts for December 2016 are committed.

8. BACKGROUND PAPERS:

AGENDA ITEM NO.13**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 17 OCTOBER 2016****PART A : REPORT**

SUBJECT: Recommendations from the Cabinet Working Party – Review of Delegation & Cabinet/Committee Structure

REPORT AUTHOR: Nigel Lynn	DATE: September 2016	EXTN: 37601
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EXECUTIVE SUMMARY: As part of the Vision 2020, a Cabinet Working Party was established at the Cabinet meeting on 21 March 2016 to undertake a review of the levels of delegation to Committees and Officers; and to review the current Cabinet/Committee structure. The Working Party is close to concluding the two stages of its work and this report presents its recommendations.
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RECOMMENDATIONS

Cabinet is asked to recommend to Full Council that:

1. No change is made to the present decision making structure of the Council (the Cabinet system) as no overwhelming financial or democratic accountability arguments were evident to support reverting back to a Committee system.
2. The following triggers/processes for decision making form the basis of revised Financial Regulations in the Council's Constitution:-

- 1) Approval route for spending Section 106 (S106) contributions

Based on the agreed S106 Agreement, where Arun is spending the money:

Trigger	Delegation to
Up to £100,000	Relevant Individual Cabinet Member
Over £100,001	Cabinet – request to be made through Budget Variation Report

- 2) Financial approvals

- a) Responsibility for the corporate vacancy allowance to remain with the Corporate Management Team (CMT)

b) Virements of expenditure within budget:

Trigger	Delegation to
Up to £50,000	Chief Executive, relevant Director or Group Head
£50,001 - £100,000	Section 151 Officer
Over £100,000	Individual Cabinet Member

c) Supplementary estimates outside of budget:

Trigger	Delegation to
Up to £50,000	Chief Executive or relevant Director to meet by virement within existing resources
£50,001 - £100,000	Cabinet – request to be made through Budget Variation report and then Full Council
Over £100,000	Cabinet and then Full Council – individual report from relevant Director/Group Head

- i. Changes to also be made to the Constitution to allow supplementary estimates to be reported directly to Full Council when referral via Cabinet would cause an unreasonable delay to a project, subject to the Financial Implications section on the report being completed by the Section 151 Officer.

3) Drawing down of funds

a) Grants/funding from external sources to be approved based on the following process:

- i. Only one report is needed to Cabinet/relevant Regeneration Committee seeking support to grant/funding application.
- ii. This will include an additional recommendation that, subject to the application being successful: *“seeks authority for the relevant Director or Chief Executive, in consultation with the Section 151 Officer and relevant Cabinet Member/Chairman of the Regeneration Sub-Committee, to agree the spending of the grant as implemented throughout the life of the project”*
- iii. If required, updates on progress of the application and its implementation be made through Position Statements (this is mainly for the Regeneration Sub-Committees)
- iv. If required, updates on significant areas of spend or changes to the terms of the grant/funding be included in the quarterly Budget Monitoring Report

b) For other specific grants from external sources, where there is no further monitoring of expenditure:

- i. Updates to be included in the quarterly Budget Monitoring Report, as required

c) Following approval of contingency and reserve budgets by Full Council, drawing down funds from contingency budgets and earmarked reserves:

Trigger	Delegation to
Up to £100,000	Chief Executive, relevant Director or Group Head in consultation with Section 151 Officer
£100,001 - £200,000	Individual Cabinet Member
Over £200,001	Cabinet – individual report from relevant Director/Group Head

- i. Plus updates to be included in the quarterly Budget Monitoring Report for expenditure up to £100,000

d) Grants to organisations, including discretionary rate relief:

a) Grants register to be established and maintained on the web to include

- i. Source of funding
- ii. Grants awarded
- iii. Any declarations of interest by Members & Officers

b) Grant allocation to be based on

- i. Criteria being agreed in advance by Individual Cabinet Member
- ii. Once agreed, allocations to be based on:

Grant	Delegation to
Up to £5,000 (per organisation)	Relevant Director, Chief Executive or Group Head
Over £5,001	Individual Cabinet Member

3. The triggers to be implemented with immediate effect.

4. The Head of Legal & Administration be authorised to make the consequential changes to the Constitution ahead of the further review.

Cabinet is also asked to resolve that:

5. A review of the Constitution relating to the following sections be undertaken by the Chief Executive, in consultation with the Head of Legal & Administration, and recommendations for change be reported to the Constitutional Review Working Party:-
 - a. Article 12.5 – Functions of the Chief Financial Officer
 - b. Article 13 – Decision Making (Trigger level in key decisions)
 - c. Scheme of Delegation (Section 2, Finance & Property)
 - d. Budget and Policy Framework
 - e. Financial Rules

6. The notes of the meetings of the Cabinet Working Party held on 5 April, 11 May and 28 September 2016 be noted.

1. BACKGROUND:

- 1.1 The Working Party was established by Cabinet as part of the developing Vision 2020. Its role was to carry out a review of the current decision making process in two stages. Firstly, looking at levels of delegation to Committees and Officers; and secondly, to review the current Cabinet/Committee Structure to determine whether this was still fit for purpose and worked within the capacity of the new organisation.
- 1.2 The membership of the Working Party for the work on the review of delegation levels comprised Councillors Wensley (Chairman), Bence, Clayden, Haymes and Mrs Madeley. The membership increased for the second stage of work looking at the review of the current Cabinet/Committee structure to include Councillors Mrs Maconachie and Oppler. I acted as lead officer to the Working Party.
- 1.3 The Cabinet Working Party met on three occasions. Its first meeting on 5 April 2016 focussed on the review of delegation levels and a number of actions were agreed for the officer team to take forward. The notes from this meeting are attached as Appendix 1. No recommendations were made at this stage.
- 1.4 The next meeting was held on 11 May 2016 when Councillors Mrs Maconachie and Oppler were also in attendance. This meeting considered a report which outlined the investigations undertaken of alternative decision making systems. The Working Party concluded that there should be no change to the present decision making structure of the Council and has put this recommendation to the Cabinet for consideration.
- 1.5 At this meeting, the Working Party also received an update on progress in reviewing the terms of reference and scheme of delegation for the Development Control Committee, which were subsequently agreed by this Committee on 15 June 2016. They also learnt of proposals for change to the role of the Licensing & Enforcement Committee which were subsequently agreed by the Full Council meeting on 14 September 2016. The notes from this meeting covering all the issues discussed are attached as Appendix 2.

<p>1.6 The Working Party then met on 28 September 2016 to receive a report back on the outcome of the review of financial regulations. The aim of the review undertaken was to ultimately report to Full Council on 9 November 2016 so all Members could be consulted and consider the proposals for change so a decision could be taken well ahead of the next financial year. The notes from this meeting are attached as Appendix 3.</p>																													
<p>2. PROPOSAL(S):</p> <ol style="list-style-type: none"> To agree the recommendation of the Cabinet Working Party from 11 May 2016, that no change is made to the present decision making structure of the Council (the Cabinet system) and that this is presented to the Full Council meeting on 9 November 2016. To agree the recommendations of the Cabinet Working Party from 28 September 2016 that the trigger points for decision making, as set out in the notes from meeting, are presented for consideration to the Full Council meeting on 9 November 2016. To agree that further work is undertaken to review the relevant sections of the Constitution, and any recommendations for change are reported via the Constitutional Review Working Party to a future Full Council meeting. 																													
<p>3. OPTIONS:</p> <ol style="list-style-type: none"> To agree the recommendations of the Cabinet Working Party of 11 May and 28 September 2016. To not agree the recommendations. 																													
<p>4. CONSULTATION:</p> <table border="1"> <thead> <tr> <th>Has consultation been undertaken with:</th> <th>YES</th> <th>NO</th> </tr> </thead> <tbody> <tr> <td>Relevant Town/Parish Council</td> <td></td> <td>✓</td> </tr> <tr> <td>Relevant District Ward Councillors</td> <td></td> <td>✓</td> </tr> <tr> <td>Other groups/persons (please specify)</td> <td></td> <td>✓</td> </tr> </tbody> </table>			Has consultation been undertaken with:	YES	NO	Relevant Town/Parish Council		✓	Relevant District Ward Councillors		✓	Other groups/persons (please specify)		✓															
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6. IMPLICATIONS:

The Head of Finance, Financial Services Manager and Head of Legal & Administration have been consulted on the review of financial regulations and their views have been incorporated in the final recommendations.

7. REASON FOR THE DECISION:

To determine whether the existing delegation levels and current decision making structure is still fit for purpose and will work within the capacity of the new organisation as agreed in the Vision 2020.

8. BACKGROUND PAPERS:

Report from Cabinet Working Party – 21 March 2016 (Establishment of Cabinet Working Parties) - [Report](#)

Report from Full Council – 13 January 2016 (2020 Vision – Working together for a better future) - [Report](#)

Report from Full Council – 20 July 2016 (The Council's 2020 Vision – Working together for a better future) - [Report](#)

Appendix 1

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
5 April 2016 at 4.30pm**

Present : Councillors Wensley (Chairman), Bence, Clayden, Haymes and Mrs Madeley

1. Declarations of Interest

No declarations were made.

2. Terms of Reference

The Working Party was reminded that it had been established by Cabinet as part of developing the Vision 2020 to undertake a review of the levels of delegation to Committees and Officers; and to review the current Cabinet/Committee structure. There would be two stages to the Working Party's work. The first stage would look at levels of delegation to committees and officers as set out in Part 3 of the Constitution (Responsibility for Functions). The second stage would look at the current decision making structure, to review whether this was still fit for purpose and worked within the capacity of the new organisation.

The Working Party noted that its membership would increase by 2 for the next meeting when Councillors Mrs Maconachie and Oppler would be involved in the second stage of its work, when the issue of Cabinet/Committee structures would be discussed.

Councillor Wensley felt it was important and timely that there was a review. In his view, the outcome needed to reflect the professional officer team in place in the Council, which would change following the Vision work. If there was concern about any of the changes proposed, then mechanisms for review and feedback could be introduced as part of any agreement. It was suggested that this could be a future role for the Audit & Governance Committee.

The Working Party noted the terms of reference and scope of its work.

3. Suggested areas for review from officer team

Nigel Lynn introduced the report highlighting the suggestions put forward by the officer team. In working through each area in turn, the Working Party also agreed who should be consulted on any proposed change.

- 3.1 *Approval route for spending Section 106 (S106) contributions* : review with the aim that the process is through Development Control Committee to agree the use of S106 funds and then the draw down of funds would be by the relevant Individual Cabinet Member (ICM) once the scheme is underway.

<i>Action by:</i>	Head of Planning Policy & Strategic Development to discuss alternative approach with Head of Finance and report back to next meeting
<i>Consultation with:</i>	Members of Development Control Committee and

Appendix 1

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
5 April 2016 at 4.30pm**

	Cabinet Member for Planning & Infrastructure
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- 3.2 *Regeneration Sub-Committees* : review to consider merging the Bognor Regis and Littlehampton Sub-Committees to form a single Regeneration Sub-Committee that covered the whole district and set a realistic work programme that the Economic Regeneration Team could manage within capacity. It was felt that the membership could also be explored to make it represent a wider area so that it did not just focus on the two towns but covered the other town and villages in the district.

<i>Action by:</i>	Chief Executive and Director of Planning & Economic Regeneration to explore the establishment of an Arun Regeneration Committee with this wider membership
<i>Consultation with:</i>	Leader of the Council and members of the Sub-Committees

- 3.3 *Review trigger points for applications being determined by Development Control Committee* : review would aim to find the balance between what applications needed to go before Members and what could be delegated to officers. It would also need to address the resource intensive process currently in place from current levels of delegation.

<i>Action by:</i>	Head of Development Control to undertake review and report back to the next meeting of the Working Party
<i>Consultation with:</i>	Members of the Development Control Committee

A question was also asked about the Trevor Roberts report from 2011 and how many of recommendations were actioned.

<i>Action by:</i>	Head of Development Control to provide an update to the next meeting of the Working Party
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- 3.4 *Fewer financial approvals by Cabinet* : support proposal to review existing levels with update reports being given to Cabinet though Budgetary Control report. Officers to draw up report with options to cover how this could move forward with a report to Council

<i>Action by:</i>	Chief Executive to agree necessary changes to Constitution with Head of Finance
<i>Consultation with:</i>	Head of Finance

- 3.5 *Drawing down funds* : support proposal to review existing arrangements to introduce a more flexible approach with the aim of reports being made to ICM in future, or allowing a higher level of delegation to CEO and Directors.

<i>Action by:</i>	Chief Executive to agree necessary changes to Constitution with Head of Finance
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Appendix 1

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
5 April 2016 at 4.30pm**

<i>Consultation with:</i>	Corporate Management Team
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- 3.6 *Grants to organisations* : agreed with proposal for ICM to have decision making authority in view of small level of grants being awarded.

<i>Action by:</i>	Chief Executive to agree necessary changes to Constitution with Head of Finance
<i>Consultation with:</i>	Corporate Management Team

- 3.7 *Review of Delegation for Environmental Services* : the Working Party noted a review was underway and would be reported into the Constitutional Review Working Party in due course.

4. How to approach Review of Cabinet/Committee Structure Cabinet

The Working Party noted the schedule setting out the current breakdown of meetings, their frequency and membership size. Areas to be reviewed in the next stage of the Working Party's work were:

Committee	Area for Review	Action by
Development Control	Terms of reference to be reviewed – as referred to in 3.3 above	Head of Development Control
Licensing & Enforcement/ Licensing	Terms of reference to be reviewed to allow delegation to Chairman and Vice-Chairman in consultation with the relevant officer on a higher level of applications. Frequency of meetings also to be reviewed based on a new terms of reference	Environmental Health Manager
Environmental Services & Community Development Working Group	Agree new terms of reference and name following merger to include leisure and tourism	Director of Environmental Services
Electoral Review Sub	Frequency to be reviewed based on future work programme. Should this become ad hoc?	Head of Democratic Services
Arun Leisure Centre Management Board	Future review will depend on outcome of current work to review how dual agreement with WSCC and Freedom Leisure will be managed	Leisure & Voluntary Sector Manager
Members IT Working Party	Recommendation to be put to Council on 20.07.16 that the Working Party will not meet for a further year	Head of Policy & Partnerships

Appendix 1

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
5 April 2016 at 4.30pm**

Constitutional Review Working Party	Needs a refocus through a review of its terms of reference. Objective should be to reduce size of the Constitution by 50%. Majority of changes to the Constitution should be dealt with at first point of contact at Full Council and the Working Party's role in future should be to carry out an annual review of outstanding issues.	Head of Legal & Administration
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5. Options to be taken forward

The Working Party agreed that the initial stage of its work on the review of delegation would be as proposed above in paragraphs 3 and 4.

In considering the second stage of its review, to look at the Cabinet and Committee structure, it was agreed that a paper produced by Cornwall council comparing the Executive against a Committee system should be provided to all members of the Working Party including Councillors Mrs Maconachie and Oppler to consider before the next meeting. For the next meeting, Nigel Lynn would present an outline of how the review could be taken forward, including experience from other local authorities, with pros and cons.

<i>Action by:</i>	Head of Democratic Service to send round information from Cornwall council to the Working Party
<i>Action by:</i>	Chief Executive to report back on his investigations of alternative decision making systems in other local authorities

6. Date of next meeting

Wednesday, 11 May at 4.30pm

The meeting finished at 6.23pm

Appendix 2

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
11 May 2016 at 4.30pm**

Present : Councillors Wensley (Chairman), Bence, Clayden, Haymes, Oppler and Mrs Maconachie.

[Note: Councillor Oppler was absent from the meeting during consideration of the items discussed in Minutes 7 to 10 (i) Part].

7. Apology for Absence

An apology for absence had been received from Councillor Mrs Madeley.

8. Declarations of Interest

There were no Declarations of Interest made.

9. Notes from the Previous Meeting

The notes from the meeting of the Working Party held on 5 April 2016 were agreed as a true and accurate record.

10. Cabinet/Committee Structure Review

(i) Investigations of Alternative Decision Making

Nigel Lynn introduced his report which provided a national overview of Councils who had moved to a Committee system; those that had adopted hybrid arrangements; and those Councils who had considered changing their governance arrangements but had decided not to. This information had been provided by the Local Government Association (LGA) and Members were referred to the detailed LGA Report – Rethinking Governance – 23 January 2014, which had been supplied as a background paper. The Working Party was asked to identify what it felt the Council should do next – whether it should look at changing from a Cabinet to a Committee structure or whether it should remain as it is.

In discussing the report Members outlined the pros and cons of each system. Comments made focused on:

- Chairman and Vice-Chairman responsibilities and experience
- Speedier decision making v lengthier decision making
- The number of Committees and Sub-Committees etc
- Cost savings – Members' Allowances; Officer Time and frequency of meetings

Comments were made by some Members that the report lacked the detailed information required to assist them in deciding whether to change from a Cabinet to a Committee structure. The Chief Executive referred to the

Appendix 2

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
11 May 2016 at 4.30pm**

background papers provided as he believed these contained all of the relevant information required.

Following discussion, the Working Party addressed the two main arguments that it felt would need to instigate change. These were saving money and whether there was a significant or democratic argument for change. It was felt that there was not a financial argument to revert back to a Committee system and that there was no evidence to support a democratic argument for change.

Following discussion, the Working Party

RECOMMEND TO CABINET

That no change is made to the present decision making structure of the Council (the Cabinet system) as no overwhelming financial or democratic accountability arguments were evident to support reverting back to a Committee system.

Councillor Oppler voted against this recommendation.

(During the course of this discussion, Councillor Wensley declared a Personal Interest in his position as a Cabinet Member).

**(ii) How to Approach Review of Cabinet/Committee Structure
Progress on Approaching this Review**

At the last meeting of the Working Party, Members had worked through a schedule setting out the current breakdown of meetings, their frequency and membership size. Areas for further review, as part of the next stage of the Working Party's work, had been identified.

A further schedule had been supplied to the Working Party providing updates in terms of how these areas of work had progressed. The Working Party worked through each section of the report and commented as follows:

Development Control – The Head of Development Control had supplied a report reviewing the terms of reference and scheme of delegation. The report reviewed in particular the trigger points for applications to be determined by the Committee and what the impacts of the current scheme of delegation were.

The need to change the existing scheme of delegation was emphasised to allow only those applications that required the strategic decision making of Elected Members to go before them at Committee.

The report analysed agendas covering the last 12 month period and set out the number of applications that had gone against Officer's

Appendix 2

**CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
11 May 2016 at 4.30pm**

recommendations. This illustrated that in 95% of cases, Members had agreed with the recommendations of Officers. Only two applications had been overturned (3%) with Members therefore agreeing with Officer recommendations 97% of the time. Householder applications and other applications together totalled 88 applications representing 58% of the agenda items. This showed that Members followed the advice of their professional officers and very rarely came to differing conclusions.

The report also considered how neighbouring authorities operated their schemes of delegation and how this impacted upon performance. The most consistent and strongest performer of the authorities in West Sussex was one that did not operate the 4/5 letter of representation trigger to Committee – many of the agenda items at Arun were as a result of 5 or more representation letters.

The report set out proposed changes for the future and it was emphasised that given that resources would be severely reduced, there needed to be a fundamental review of the scheme of delegation and its thresholds.

The proposals set out within this report were fully supported by the Working Party. Councillor Mrs Maconachie raised a concern over Section 106 monies and the future monitoring of spending such funds in line with timescales and expiry dates and in view of the fact that money had been lost in the past. She was of the view that regular reporting on the spending of Section 106 funds should still be reported to the Committee. The Chief Executive explained that currently only Arun and Chichester District Council did not retain section 106 monies, instead WSCC retained this money until such time that the Council wanted to spend it. This meant that WSCC benefited from the interest accrued over time. The Chief Executive outlined that he was keen to address pursuing negotiations to allow the Council to retain the money and benefit from interest made. It was agreed that he would progress this matter and report back.

Following further discussion, the Working Party agreed to the principles outlined within the report and asked Officers to continue to work on the proposed changes so that a report could be submitted to either a future meeting of the Development Control Committee or Full Council.

Licensing & Enforcement/Licensing – Councillor Bence reported back on discussions he had initiated with the Head of Legal and Administration. This had resulted in the Environmental Health Manager compiling a report setting out opportunities to improve the efficiency of the service by streamlining and updating delegations in the Environmental Service and Private Sector Housing teams.

Appendix 2

CABINET WORKING PARTY
REVIEW OF DELEGATION & CABINET/COMMITTEE STRUCTURE
11 May 2016 at 4.30pm

The report set out cases supporting the need to delegate to the relevant Director and Service Manager the authority to institute legal proceedings rather than these requiring Committee approval.

It was proposed to reconstitute the Committee to have the full Committee meeting quarterly to resolve Policy matters and for hearings relating to taxis, house-to house collections, and gambling etc to be determined by a Panel of 3 Members of the Committee to meet as and when required on a rota basis.

Councillor Bence spoke in full support of all of the report's proposals stating that compared to other Councils, Arun was unique in terms of the way in which its Licensing & Enforcement Committee functioned. The proposals would avoid the need for 15 Members to meet once a month to discuss often just one issue that could easily be delegated to an Officer for determination or it could adopt the Panel approach. The full Committee would meet 4 times a year to consider Policy matters.

Councillor Bence also outlined the need for Environmental Health Manager to be given delegated authority to suspend taxi licences to avoid the need for these to come before the Committee. It was agreed that this issue would be addressed in the next report firming up the proposals.

It was felt that the Panel approach would be more appropriate for members of the public attending perhaps a hearing for the first time ie less intimidating. The issue of Member training was also discussed and the need for this to be addressed further in view of adopting the Panel's rota system and how this would work for the Sub-Committee in terms of having experienced members on the Panel. It was outlined that this needed to be addressed in working up the proposals into a final report for Members to consider by perhaps stipulating the attendance of the Chairman and or Vice-Chairman at all Panel hearings. It was agreed that the rota system adopted would need to be fair and would need to work to allow all Members on it to gain experience. The cost savings in adopting this approach were also highlighted and that there would be the need to address this further down the line.

The **Working Party** was reminded that it was only agreeing the principles of the report at this stage and that further advice would need to be sought in terms of developing these.

The Working Party was therefore happy for the proposals to be progressed and it asked Officers to continue to work on these so that a report could be submitted to either a future meeting of the Committee; the Constitutional Review Working Party or Full Council to consider.

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Environmental Services & Community Development Working Group – the Working Party noted that the terms of reference and name of the Working Group would be reviewed at the first meeting in the new Council year.

Electoral Review Sub-Committee - the Head of Democratic Services confirmed that there was nothing further to report and that the Sub-Committee would only meet when it needed to. This was noted.

Arun Leisure Centre Management Board – the Working Party noted the Position Statement supplied by the Leisure & Voluntary Sector Manager.

Members IT Working Party – the Working Party noted that the next Full Council meeting on 20 July 2016 would consider a recommendation that the Working Party would not meet for a further year.

Constitutional Review Task and Finish Working Party – concern was expressed over the length of the Council's Constitution which was expanding rather than reducing. The Working Party wanted a review of the Constitutional Review Working Party to be conducted to address refocusing and streamlining its work.

The Chief Executive agreed to the need to progress this work quickly and it was agreed that the Chairman and Vice-Chairman of the Working Party meet with him and the Head of Legal and Administration to agree a refocus of its terms of reference and that a timed conclusion to its work be agreed.

11. Delegation Review - Officer Team Updates

Nigel Lynn introduced the report highlighting where updates had been received in terms of progress of work since the last meeting of the Working Party.

Approval route for spending Section 106 (S106) contributions : review with the aim that the process is through Development Control Committee to agree the use of S106 funds and then the drawdown of funds would be by the relevant Individual Cabinet Member (ICM) once the scheme is underway.

Action by:	Head of Planning Policy & Strategic Development to discuss alternative approach with Head of Finance and report back to next meeting
Consultation with:	Members of Development Control Committee and Cabinet Member for Planning & Infrastructure

This had been discussed earlier on in the meeting.

Regeneration Sub-Committees : review to consider merging the Bognor Regis and Littlehampton Sub-Committees to form a single Regeneration Sub-Committee that covered the whole district and set a realistic work programme that the Economic Regeneration Team could manage within capacity. It was felt that the membership could also be explored to make it represent a wider

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area so that it did not just focus on the two towns but covered the other town and villages in the district.

Action by:	Chief Executive and Director of Planning & Economic Regeneration to explore the establishment of an Arun Regeneration Committee with this wider membership
Consultation with:	Leader of the Council and members of the Sub-Committees

The Chief Executive asked the Working Party if it could consider withdrawing this review as initial discussions had not identified any support for this change. However, he did feel that Members needed to understand that if the two current Sub-Committees remained then the Economic Regeneration Team would only be able to focus on a small numbers of projects at any one time.

The Working Party agreed not to pursue merging the two Sub-Committees.

Review trigger points for applications being determined by Development Control Committee: review would aim to find the balance between what applications needed to go before Members and what could be delegated to officers. It would also need to address the resource intensive process currently in place from current levels of delegation.

Action by:	Head of Development Control to undertake review and report back to the next meeting of the Working Party
Consultation with:	Members of the Development Control Committee

This matter had been discussed earlier in the meeting.

Fewer financial approvals by Cabinet : support proposal to review existing levels with update reports being given to Cabinet through Budgetary Control report. Officers to draw up report with options to cover how this could move forward with a report to Council.

Action by:	Chief Executive to agree necessary changes to Constitution with Head of Finance
Consultation with:	Head of Finance

As an example, the Chief Executive referred to the Special Meeting of Cabinet held on 9 May 2016 which he felt had not been necessary to hold. This meeting and the cost of it could have been avoided. It was clear that a review of financial regulations was needed to reduce the requirement for all financial approvals to come before Cabinet meetings. This needed to be undertaken along the same lines to be put in place for the Constitution. It was agreed that

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the Chief Executive would arrange a meeting to consider and discuss the scope of this review looking also at other local authorities' best practice.

Drawing down funds : support proposal to review existing arrangements to introduce a more flexible approach with the aim of reports being made to ICM in future, or allowing a higher level of delegation to CEO and Directors.

Action by:	Chief Executive to agree necessary changes to Constitution with Head of Finance
Consultation with:	Corporate Management Team

This was discussed as part of the minute above.

Grants to organisations : agreed with proposal for ICM to have decision making authority in view of small level of grants being awarded.

Action by:	Chief Executive to agree necessary changes to Constitution with Head of Finance
Consultation with:	Corporate Management Team

This was discussed as part of the minute above.

Review of Delegation for Environmental Services : the Working Party noted a review was underway and would be reported into the Constitutional Review Working Party in due course.

This had been discussed earlier in the meeting.

12. Date of next meeting

It was agreed that a date would be set once work had progressed to stage that could be reported back to the Working Party – this would most likely be after the Full Council meeting 20 July 2016 which would receive the Vision report and final proposals.

The meeting finished at 6.12pm

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Present : Councillors Wensley (Chairman), Bence, Clayden, Haymes and Mrs Madeley.

13. Declarations of Interest

There were no Declarations of Interest made.

14. Notes from the Previous Meeting

The notes from the meeting of the Working Party held on 11 May 2016 were agreed as a true and accurate record.

15. Delegation Review - Update

The Head of Democratic Services provided a verbal update on progress made since the last meeting in relation to:

- Development Control – changes to its terms of reference had been approved by the Committee on 15 June 2016
- Licensing & Enforcement – changes creating a new role for the Licensing Committee [having corporate responsibilities] and the Licensing Sub-Committee [dealing with all other forms of applications] were agreed by the Committee on 2 September and subsequently approved by Full Council on 14 September 2016
- The Arun Leisure Centre Management Board – Cabinet on 19 September 2016 agreed changes to the Arun Leisure Centre reporting structure in that the Management Board and Joint Liaison Group be disbanded and replaced with one body called the Dual Use Officer Group. This would report through via the Individual Cabinet Member (ICM) route and an annual report submitted to the Overview Select Committee for the purposes of scrutiny.

The Working Party noted the update provided.

16. Review of Financial Regulations – Recommendations for Change

The Chief Executive reported that since the last meeting of the Working Party held on 11 May 2016, an Officer Group had been established to undertake a review of the current financial regulations on his behalf. This Group comprised:

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- Liz Fitcher – Head of Democratic Services
- Carolin Martlew – Financial Services Manager
- Denise Vine – Head of Economic Regeneration

A series of recommendations had been drawn up and consultations undertaken with the Manager Group and the Corporate Management Team ahead of them being presented to the Working Party.

It was outlined that the aim was for these recommendations to be presented to Cabinet on 17 October 2016 so that, if approved, they could be recommended onto Full Council on 9 November 2016, so as to allow all Members to be consulted and to consider these proposals so that a decision could be taken well ahead of the next financial year.

The Chief Executive reminded Members of the background to this project which was to:

- Revisit the approval routes for spending Section 106 (S106) contributions
- Aim for fewer financial approvals by Cabinet by looking at reviewing existing trigger levels and allowing for updates to be dealt with via a budget Monitoring Report instead of individual reports
- Adopt a more flexible approach to the drawing down of funds; and
- Look at grants to organisations

It was emphasised that all of this work linked in with the overall aim of the 2020 Vision which was to make the Council a smaller yet more efficient authority. This would be partly achieved by giving Managers the flexibility required to enable them to get on and do the day job, free from the constraints of continually having to obtain Cabinet approval on matters previously agreed by Members.

The Head of Democratic Services was then invited to work through the findings from each of the categories outlined above. These are set out below:

(i) Approval Route for Spending Section 106 (S106) Contributions

The Working Party was alerted to an alternative recommendation which had been circulated at the meeting. It was explained that the Director of Planning & Economic Regeneration, as the main Officer consultee, had requested further time to undertake a more in-depth review of the approval routes. What the Working Party was being asked to approve at this meeting were the triggers in place for the approval of expenditure when it was the Council spending the money.

The triggers proposed were:

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Up to £100,000	Relevant Individual Cabinet Member
Over £100,001	Cabinet – request to be made through Budget Variation Report

The revised triggers proposed an increase from the current trigger of £50k up to £100k for an ICM. Members were reminded that this related to the spending of Section 106 Agreement money which had previously been approved by the Development Control Committee.

The revised recommendations were agreed.

(2) Fewer Financial Approvals by Cabinet

- a) It was agreed that the responsibility for the corporate vacancy allowance would remain with CMT.
- b) Virements of expenditure within budget - The Chief Executive explained the triggers proposed and that if approved, would provide Managers flexibility to allow them to move funds from one budget into another. The proposals were not about exceeding budgets, but providing Managers with the flexibility to be able to manage them in an easier way. Currently, Cabinet approval was required to do this. It was emphasised to Members that such action could only be undertaken if the funds had been previously approved. In looking at larger sums ie over £100k and when signing ICMs, concern was raised that it was not often easy to see that approval had been given by the Section 151 Officer, or relevant consultees, or to have assurance that the overall budget had not been exceeded. The Head of Democratic Services explained that when producing an ICM, it was the Officer's responsibility to ensure that they had undertaken the required consultations in advance of preparing the report with Legal and Finance. Members were reassured that if Finance had not been consulted on such matters then they would defer consideration of the item until the required clearance had been given. Members were referred to the consultation box included within ICM [and Cabinet] reports and that if this had been ticked, then the required consultations had been undertaken.

In re-assuring Members, the Chief Executive outlined that for the first trigger – amounts up to £50k, such decisions would need to be undertaken in liaison with the Chief Executive or relevant Director or Group Head. The proposals presented had been based on the future structure of the Council.

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The proposals were then agreed – these were:

Trigger	Delegation to
Up to £100,000	Relevant Individual Cabinet Member
Over £100,001	Cabinet – request to be made through Budget Variation Report

(c) Supplementary Estimates outside of the Budget – it was explained that such requests were only made when something unusual occurred and examples were provided. The current trigger in place was felt to be too low [£10k] and did not provide the flexibility required by Managers when reacting to a situation. The new trigger for amounts up to £50k would provide this. For triggers from £50k to £100k a report would need to go to Cabinet but with requests being made through a Budget Variation Report with recommendations onto Full Council. For amounts over £100k the route would be Cabinet and then Full Council. Members were advised that in instances where referral via Cabinet would cause an unreasonable delay to a project, changes were being proposed to the Constitution to allow supplementary estimates to be reported direct to Full Council, subject to the financial implications part of the report being completed by the Section 151 Officer. In extremely urgent situations, Members were reminded that the Chief Executive could exercise his delegated authority to take an urgent decision. These proposals were agreed – these were:

Trigger	Delegation to
Up to £50,000	Chief Executive or relevant Director to meet by virement within existing resources
£50,001 - £100,000	Cabinet – request to be made through Budget Variation report and then Full Council
Over £100,000	Cabinet and then Full Council – individual report from relevant Director/Group Head

Changes to also be made to the Constitution to allow supplementary estimates to be reported directly to Full Council when referral via Cabinet would cause an unreasonable delay to a project, subject to the Financial Implications section on the report being completed by the Section 151 Officer.

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(3) A more flexible approach to the drawing down of Funds

(a) Grants/funding from external sources – the recommendations set out below were agreed:

a) Grants/funding from external sources to be approved based on the following process:

- i. Only one report is needed to Cabinet/relevant Regeneration Committee seeking support to grant/funding application.
- ii. This will include an additional recommendation that, subject to the application being successful: *“seeks authority for the relevant Director or Chief Executive, in consultation with the Section 151 Officer and relevant Cabinet Member/Chairman of the Regeneration Sub-Committee, to agree the spending of the grant as implemented throughout the life of the project”*.
- iii. If required, updates on progress of the application and its implementation be made through Position Statements (this is mainly for the Regeneration Sub-Committees).
- iv. If required, updates on significant areas of spend or changes to the terms of the grant/funding be included in the quarterly Budget Monitoring Report

(b) Other specific grants from external sources, where no further monitoring of expenditure (eg Cabinet Office) – the Working Party agreed that updates be included in the quarterly Budget Monitoring Report, when required.

(c) Drawing down funds from contingency budgets and earmarked reserves – a more streamlined process was needed to allow matters to be speedily processed – an example used was the partnership working undertaken to sort out the flooding problem in Arundel. The proposals were agreed – these were:

Following approval of contingency and reserve budgets by Full Council, drawing down funds from contingency budgets and earmarked reserves:

Trigger	Delegation to
Up to £100,000	Chief Executive, relevant Director or Group Head in consultation with Section 151 Officer
£100,001 - £200,000	Individual Cabinet Member
Over £200,001	Cabinet – individual report from relevant Director/Group Head

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- i. Plus updates to be included in the quarterly Budget Monitoring Report for expenditure up to £100,000;
- (d) Grants to organisations, including discretionary rate relief – this was to speed up the processing of small grants which were often being awarded to small businesses who could not work around an 8 week decision making process. The proposals as set out in the report were agreed – these were that a :
- a) Grants register to be established and maintained on the web to include:
 - i. Source of funding
 - ii. Grants awarded
 - iii. Any declarations of interest by Members & Officers
 - b) Grant allocation to be based on
 - i. Criteria being agreed in advance by Individual Cabinet Member
 - ii. Once agreed, allocations to be based on:

Grant	Delegation to
Up to £5,000 (per organisation)	Relevant Director, Chief Executive or Group Head
Over £5,001	Individual Cabinet Member

The Working Party then worked through the principles behind the recommendations which had been set out at section 6.6 of the report. They were alerted to the Budget Variation Report which would become a standing item on each Cabinet agenda as this would allow for any financial items to be considered. This report and the Budget Monitoring Report [which was already reported to Cabinet on a quarterly basis] would become the method for reporting back on actions/decisions/changes taken to Budgets. It was explained that this would provide another safeguard and knowledge tool for Members when working to the new changes.

The Head of Democratic Services outlined that subject to the above recommendations being accepted by Full Council, the Officer Group would then need to complete further work reviewing the specific wording within the Constitution to reflect the proposed changes. This work would be part of the ongoing work that was being undertaken by the Chief Executive, in conjunction with the Head of Legal

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and Administration, to produce a smaller and easier to understand Constitution. The review of the Constitution would need to relate to:

- a. Article 12.5 – Functions of the Chief Financial Officer
- b. Article 13 – Decision Making (Trigger level in key decisions)
- c. Scheme of Delegation (Section 2, Finance & Property)
- d. Budget and Policy Framework
- e. Financial Rules

Any recommendations for change would be reported to the Constitutional Review Working Party and then Full Council by March 2017 so that the changes could be in place before the new financial year.

Finally, the Working Party noted the further work that would be taken forward by the Officer Group relating to:

- i. Administrative processes for smaller payments – the credit card suggestion
- ii. Standing Orders – Purchasing, Procurement, Contracts and Disposals – to see if triggers and processes are still relevant (this work was already underway)
- iii. Reviewing arrangements for rail warrants with the aim of replacing this with expense claims made through Payroll or use of a Council credit card.

In concluding, the Chief Executive passed on his thanks to the Head of Democratic Services and the Officer Group (Carolin Martlew and Denise Vine) for undertaking this work.

The Working Party then

RECOMMEND TO CABINET TO RECOMMEND TO FULL COUNCIL –
That

(1) No change is made to the present decision making structure of the Council (the Cabinet system) as no overwhelming financial or democratic accountability arguments were evident to support reverting back to a Committee system;

(2) The following triggers/processes for decision making from the basis of revised Financial Regulations in the Council's Constitution be approved:

- 1) Approval route for spending Section 106 (S106) contributions
Based on the agreed S106 Agreement, where Arun is spending the money:

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Trigger	Delegation to
Up to £100,000	Relevant Individual Cabinet Member
Over £100,001	Cabinet – request to be made through Budget Variation Report

2) Financial approvals

a) Responsibility for the corporate vacancy allowance to remain with the Corporate Management Team (CMT).

b) Virements of expenditure within budget:

Trigger	Delegation to
Up to £50,000	Chief Executive, relevant Director or Group Head
£50,001 - £100,000	Section 151 Officer
Over £100,000	Individual Cabinet Member

c) Supplementary estimates outside of budget:

Trigger	Delegation to
Up to £50,000	Chief Executive or relevant Director to meet by virement within existing resources
£50,001 - £100,000	Cabinet – request to be made through Budget Variation report and then Full Council
Over £100,000	Cabinet and then Full Council – individual report from relevant Director/Group Head

(i) Changes to also be made to the Constitution to allow supplementary estimates to be reported directly to Full Council when referral via Cabinet would cause an unreasonable delay to a project, subject to the Financial Implications section on the report being completed by the Section 151 Officer.

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3) Drawing down of funds

b) Grants/funding from external sources to be approved based on the following process:

- i. Only one report is needed to Cabinet/relevant Regeneration Committee seeking support to grant/funding application.
- ii. This will include an additional recommendation that, subject to the application being successful: *“seeks authority for the relevant Director or Chief Executive, in consultation with the Section 151 Officer and relevant Cabinet Member/Chairman of the Regeneration Sub-Committee, to agree the spending of the grant as implemented throughout the life of the project”*.
- iii. If required, updates on progress of the application and its implementation be made through Position Statements (this is mainly for the Regeneration Sub-Committees).
- iv. If required, updates on significant areas of spend or changes to the terms of the grant/funding be included in the quarterly Budget Monitoring Report

c) For other specific grants from external sources, where there is no further monitoring of expenditure:

- v. Updates to be included in the quarterly Budget Monitoring Report, as required

d) Following approval of contingency and reserve budgets by Full Council, drawing down funds from contingency budgets and earmarked reserves:

Trigger	Delegation to
Up to £100,000	Chief Executive, relevant Director or Group Head in consultation with Section 151 Officer
£100,001 - £200,000	Individual Cabinet Member
Over £200,001	Cabinet – individual report from relevant Director/Group Head

- vi. Plus updates to be included in the quarterly Budget Monitoring Report for expenditure up to £100,000;

e) Grants to organisations, including discretionary rate relief:

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a) Grants register to be established and maintained on the web to include:

- iv. Source of funding
- v. Grants awarded
- vi. Any declarations of interest by Members & Officers

b) Grant allocation to be based on

- iii. Criteria being agreed in advance by Individual Cabinet Member
- iv. Once agreed, allocations to be based on:

Grant	Delegation to
Up to £5,000 (per organisation)	Relevant Director, Chief Executive or Group Head
Over £5,001	Individual Cabinet Member

(3) The triggers to be implemented with immediate effect; and

(4) The Head of Legal & Administration be authorised to make the consequential changes to the Constitution ahead of the further review.

The Working Party then

RECOMMEND CABINET TO RESOLVE - That

(5) A review of the Constitution relating to the follow sections be undertaken by the Chief Executive, in consultation with the Head of Legal & Administration, and recommendations for change be reported to the Constitutional Review Working Party:-

- a. Article 12.5 – Functions of the Chief Financial Officer
- b. Article 13 – Decision Making (Trigger level in key decisions)
- c. Scheme of Delegation (Section 2, Finance & Property)
- d. Budget and Policy Framework
- e. Financial Rules

(6) The notes of the meetings of the Cabinet Working Party held on 5 April, 11 May and 28 September 2016 be noted.

(The meeting finished at 5.20 pm)

AGENDA ITEM NO.14**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON October 17th 2016****PART A: REPORT**

SUBJECT: Future of Area Committees

REPORT AUTHOR: Paul Askew DATE: 30th September 2016 EXTN: 37515

EXECUTIVE SUMMARY: West Sussex County Council have proposed that there are changes to the Area Committees from April 2017. This report welcomes the changes and as part of the Vision 2020 proposes withdrawing the £75000 in grant funding to the Area Committees and to reduce the administration costs that we pay WSCC by £3000. The report also proposes a payment of £500 to the Arun District Association of Local Councils (ADALC) for 2017/18 to assist them in the administration of their organisation.

RECOMMENDATIONS:

To recommend to Full Council:

- 1. The Council welcomes and supports the reduction in Area Committees from three to two and the reduction in meetings from 12 per year to 6 from April 2017.**
- 2. The Council withdraws £75000 in grant funding to the Area Committees from April 2017.**
- 3. The Council reduces the administration grant that is currently paid to WSCC for the Area Committees from £7500 to £4000 from April 2017.**
- 4. The Council pays a grant of £500 to the Arun District Association of Local Councils (ADALC) for 2017/18 to assist them in the administration of their organisation.**

1. BACKGROUND:

As part of the Vision 2020 and the need to make significant savings I was asked to look into the future of Arun's participation in the Area Committees and what options there were for the Council. At the same time West Sussex County Council also reviewed their role in the Area Committees across the whole County and they tabled the following proposals:

To reduce the number of County Local Committees across the whole of West Sussex from fourteen to eleven.

With respect to Arun the proposal was to reduce the number of Area Committees in Arun from three to two. The County's preference is to abolish the Downland Area Committee

and having an Eastern and Western Committee. It is anticipated that the River Arun would be the boundary line that separated East and West. However, there has been opposition to this proposal from the Downland Area Committee who would prefer to see a North / South split or an urban / rural split. WSCC have said that they will look at their proposals again. Whatever their outcome the principle of only having two area committees which would meet three times a year would remain. This would reduce the number of meetings per year from twelve to six. There is also a proposal to reduce the WSCC Community Initiative Funding for the Arun area by £26000.

These proposals and others across all the County Local committees and changes within the Democratic services team at County would deliver £159500 savings.

Meetings have been held with Officers at WSCC about these proposals. Against a background of needing to make savings and efficiencies but also to meet the aim of improved working with our partners which is one of the aims of the 2020 Vision the county's proposals seemed to be an acceptable way forward. The Area Committees are also the only forum in the District where the three tiers of local authorities meet in public.

The Council would like to improve liaison with the Town and Parish Councils. Currently quarterly meetings take place with Arundel, Bognor Regis and Littlehampton Town councils and it is proposed that these continue. The Arun District Association of Local Councils (ADALC) represents most of the Town and Parish Councils in the District. Arun officers have attended some of their meetings over the past year. It is felt that this would be a good forum for improving our liaison with Parishes and Towns. An annual conference of the ADALC members organised by Arun would allow us to further improve the relationships with them. To help them with their administration it is proposed that we give them grant aid for 2017/18 of £500 to assist them in their administration.

2. PROPOSAL(S):

1. To support the WSCC proposals of having two Area Committees.
2. To enable savings to be made the Council withdraws the £75000 of grant funding that it currently makes to the three Area committees. The council will also pay only £4000 in respect of administration costs to the County rather than £7500.
3. The Council pays a grant of £500 to the Arun District Association of Local Councils (ADALC) for 2017/18 to assist them in the administration of their organisation.

3. OPTIONS:

To withdraw from the Area Committees and seek alternative ways of liaising with Towns and Parishes

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify) Discussion held at each Area Committee	X	

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal		X
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land		X
Technology		X
Safeguarding		X
Other (please explain)		X
6. IMPLICATIONS: Proposed saving of £77500 from April 2017		

7. REASON FOR THE DECISION:

The need to review our participation in the Area Committees in the light of the need to make savings.

8. BACKGROUND PAPERS:

None

AGENDA ITEM NO.15**ARUN DISTRICT COUNCIL****REPORT TO CABINET ON 17 OCTOBER 2016****PART A : REPORT**

SUBJECT: Update on the Council's 2020 Vision – Working together for a better future.

REPORT AUTHOR: Nigel Lynn, Chief Executive

DATE: September 2016

EXTN: 01903 737600

EXECUTIVE SUMMARY:

The Council agreed its 2020 Vision at its Full Council meeting on 20 July 2016. This report provides an update on some of the projects, including the management restructure.

RECOMMENDATIONS:

It is recommended to Full Council that:




1. Full Council notes the update to the 2020 Vision programme and, in particular, progress on the management restructure (project number V31) under the principle of “becoming smaller and more effective”.

1.0 BACKGROUND

- 1.1 The 2020 Vision overleaf was agreed at the Full Council meeting on 20 July 2016.



The Council Priorities and the Vision

- | | | |
|---|-----------------------|---|
|  | Your services | “Providing the best services we can afford to help you improve your life” |
|  | Supporting you | |
|  | Your future | |

We will continue to deliver our priorities without it costing you more by:

- Offering an improved customer experience
- Building better relationships with other organisations and the community
- Providing more digital opportunities to make dealing with us easier
- Becoming smaller but more effective



2. PROJECT UPDATE

2.1 The Arun Vision 2020 Programme is currently made up of around 40 projects or initiatives. Some projects carry higher risk in terms of their deliverability and so the programme uses ranges to forecast potential benefits and savings. The current portfolio of 40 projects is estimated to save between £1.5m and £3.5m annually. The latest updated programme is attached at Appendix A. An enlarged, colour, version will be available for Members at the Cabinet Meeting.

Some example projects:

- The re-tender of the Greenspace contract is on target for a 10 year average saving of £165,000 pa (general fund) and £95,000 pa (HRA). It will also deliver £650,000 of new investment in the council's assets and provide many non-financial benefits.
- Moving parking fine appeals on-line will reduce the number of appeals and also the amount of work required to deal with appeals that are made, this will save the council £11,000 pa in efficiencies.
- Increasing fees such as cemeteries and car park charges will help the council generate £150,000 - £200,000 of additional income pa.
- The council is working with Chichester and Horsham District Councils developing detailed business cases for shared services. This stage is to investigate in detail and evidence the benefits of different shared services options including improved standalone services. The initial outline business cases predicted a "shared" saving of approximately £2M and it is anticipated the new business cases will be ready for cabinet early 2017. The services being look at are:
 - Audit
 - HR / Payroll
 - ICT
 - Legal
 - Revenues / Benefits and Customer Services.

2.2 One project is the agreed forthcoming management restructure. Full Council agreed (20 July 2016) the revised structure principles and gave the Chief Executive the authority to proceed (in liaison with the Leader of the Council), with a sum of up to £50,000 to support the process (funded from a previous sum of £120,000, agreed on 13 January 2016).

2.3 The corporate management structure will be reduced in size from five to four (by 2017) and further to three in 2018. It is anticipated that a smaller corporate management team (CMT) will save around £0.2m per annum from the current budget. Full Council agreed (20 July 2016) consequential redundancy costs in 2016/17. Additional funds will be required for future management restructure phases and further reports will follow, when appropriate.

2.4 A consultant has been appointed by the Chief Executive following a quotation process, to

assist with the recruitment process for Directors and Group Heads. The following provides a timeline of progress to date and planned dates of activity:-

19.08.16 – 19.09.16	Advertising new Director posts
21.09.16 – 10.10.16	Online assessments and evaluation
13.10.16	Interviews for Director posts
w/c 17.10.16	Notify successful candidates – feedback to unsuccessful candidates
9.11.16	Full Council approval requested

2.5 Another consultant has been appointed to provide a pay and grading review of senior management posts in the new structure. This was completed in September 2016, at a cost of £3,500.

3. RESOURCES

3.1 Up to £50,000 has been approved. The final cost of the process cannot be identified at this time as it is dependent on the number of applications to be processed. However, the costs will be well within the funds available.

3.2 When the Group Head posts have been filled, further funds will be required for any redundancy costs that might occur.

4. PROPOSAL(S):

It is recommended Cabinet recommend to Full Council (20 July 2016) that:

4.1 Full Council notes the update to the 2020 Vision programme and, in particular, progress on the management restructure (project number V31) under the principle of “becoming smaller and more effective”.

5. OPTIONS:

1. To note the report only.

6. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors	✓	
Other groups/persons (please specify)		✓
a) Director consultation took place between 11 -25 May, 17 August – 5 September, and 7 September – 7 October	✓	
b) All senior managers 7 June – 1 July		
c) Group Head consultation took place between 7 September – 7		

October 2016 d) UNISON have been kept up to date and consulted		
7. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability	✓	
Asset Management/Property/Land	✓	
Technology	✓	
Other (please explain) (UNISON)	✓	
8. IMPLICATIONS:		
8.1 Following the appointment of Directors (anticipated at Full Council on 9 November 2016), Group Heads of services will be appointed. Following these initial two stages, further structures will be devised, consulted on, and progressed. In keeping with “becoming smaller and more effective”, it is possible that further redundancies will follow and Members will be asked for additional supplementary estimates for redundancy payments – should this be necessary – on a business case approach.		

9. REASON FOR THE DECISION:

To enable the Council to agree its 2020 vision for the future and to help ensure that the Council becomes more effective and sustainable, to meet the future demands placed upon it. At the same time, it is imperative that the Council moves as close as possible to a balanced revenue budget with minimal or no use of Council balances to support it.

10. BACKGROUND PAPERS:

Full Council Agenda - 30 April 2014 (item 26 - Local Government Association - Corporate Peer Challenge Review – March 2014)

Full Council Agenda - 18 June 2014 (item 9 - Local Government Association - Corporate Peer Challenge Review – March 2014 – Customer Services)

Full Council Agenda - 5 November 2014 (item 17 – Working Towards a Council Vision for 2015 to 2020)

Cabinet Agenda - 16 November 2015 (item 7 – Financial Prospects 2015/16 to 2020/21)

Full Council – 13 January 2016 (item 29 - 2020 Vision – working together for a better future)

Overview Select Committee – 7 June 2016 (item 6 – The Council's 2020 Vision)

Full Council – 20 July 2016 (item 36 – The Council's 2020 Vision)

Arun District Council - AIP & Vision 2020 Programme - Portfolio Dashboard

Vision 2020 (PHASE 1)															
ID	Name	Status	Budget	Start Date	End Date	Lead	Budget	Time	Benefits	Notes	Type of Benefits	Benefits Start Date	Benefit Minimum	Benefit Max	
V1	Shared Service - ICT	Running		Feb-16	Apr-17	C.Lawrence	Amber	Amber	Amber	- Detailed Business Case to Full Council Jan 2017	- Saving	2018/19	£230,000	£260,000	
V2	Shared Service - Legal	Running		Feb-16	Apr-17	W.Ashenden-Bax	Amber	RED	Amber	- Detailed Business Case to Full Council Jan 2017	- Saving	July 2017	£48,000	£134,000	
V4	Shared Service - HR / Payroll	Running		Feb-16	Apr-17	K.Pearce	RED	RED	Amber	- Detailed Business Case to Full Council Jan 2017	- Saving	April 2018	£49,000	£64,000	
V5	Shared Service - Audit	Running	£0	Feb-16	Apr-17	S.Pearce	Green	Green	Amber	- Detailed Business Case to Full Council Jan 2017	- Saving	2017/18	£17,000	£35,000	
V6	Shared Service - Revenues & Benefits	Running	£100,000	Nov-15	Apr-17	I.Bell	Green	Amber	Green	- Detailed Business Case to Full Council Jan 2017 - (higher figure Yr 5 onwards) & dependent on saving sharing	- Saving (if split 50/50)	2019/20	£141,000	£346,000	
V7	Shared Service - Customer Services	Running		Feb-16	Apr-17	J.Follis	Amber	Amber	Amber	- Detailed Business Case to Full Council Jan 2017 - (higher figure Yr 5 onwards)	- Saving	2018	£50,000	£100,000	
AIP40	Shared Service - Building Control	Running	£8,000	Apr-16	Oct-16	J.Henn	Amber	Amber	Amber	- Business Case	- Saving & income	2018/19	£20,000	£40,000	
V8	Planning Services - Income generation	Running		Mar-16	TBA	K.Roberts	Green	RED	Amber		- Income (included in base budget already)	**	£140,000	£140,000	
V8.1	Planning Services - Savings	Running	£15,000	Mar-16	TBA	K.Roberts	Green	RED	Amber	- Business Case - Cabinet Working Group is late July - Timetable dependent on corporate restructure	- Saving		£130,000	£250,000	
V9	Fewer Public Toilets	Running		Apr-16	Apr-19	O.Handson	Green	Amber	Amber	- ESC&CDWG June 2016 / Cabinet 25th July	- Saving	January 2017	£0	£140,000	
V10	Car Parks Charges	Complete		Feb-16	Apr-16	C.Baylis	Green	Green	Amber	- Fees go up 22 April 2016	- Income (included in base budget already)	April 2016 **	£100,000	£150,000	
V11	Cemeteries Fees	Running		Apr-17	Apr-19	O.Handson	Green	Green	Green	- ICM Required, draft after FC approval of Vision 2020 Summer 2016	- fee increase of 5% for 3 years = £40,000 income	April 2017	£40,000	£40,000	
V12	Cleansing Contract Renewal	Running		Apr-16	Nov-16	O.Handson	Green	Green	Amber	- Cabinet October 2016	- Saving	February 2017	£25,000	£200,000	
V13	Reducing Consultation	Complete			Apr-16	P.Askew	Green	Green	Green	- Abolished Wavelength Panel	- Saving	April 2016	£10,000	£10,000	
V14	Local Housing Company	Running	£23,300	Feb-16	Jun-17	A.Elder	Green	Amber	Amber	- Business Case and Business Plan to be produced	- Income capital and revenue	2018/19	£0	£500,000	
V15	London Road Student Accommodation	Running	£15,000	Aug-15	Apr-19	N.Croad	RED	Amber	Amber	- Business Case	- Income	2019/20			
V16	Commercial Review BRTH	Scheduled	£75,000	May-16	Dec-16	A.Peach	Green	Amber	Amber	- Business Case	- Saving and income		£87,000	£160,000	
V17	Commercial Review Council Assets	Running		Aug-16	N/A	A.Peach	Green	Green	Green	- Business Case	- Income	on-going			
V18	Council Tax Reductions Scheme	Running	£10,000	Oct-15	Apr-17	S.Priest	Green	Green	Green	- Recommendations approved by Cabinet on 11 July - Public consultation planned 25/7/16 to 16/10/16	- Saving	April 2017	£80,000	£100,000	
V19	Review of Day Activities for Older People	Running		Jan-15	Dec-16	R.Wickham	Amber	RED	Amber	- Business Case / Awaiting WSCC funding	- Savings	October 2017	£15,000	£70,000	
V20	Review of Joint Area Committees	Running		Feb-16	Mar-17	P.Askew	Green	Green	Green	- Consultation Sep 16 - Cabinet Oct 16 - Full Council Nov 16	- Saving	April 2017	£78,000	£78,000	
V21	Officer Allowance	Running		Feb-16	Apr-17	P.Warters	Green	Amber	Amber	- Changes in April 2017	- Saving	2017/18	£70,000	£70,000	
V29.1	Review Greenspace Management Contract (general fund)	Complete		Apr-16	Jan-17	O.Handson	Green	Green	Green	- Benefits delivered Jan 2017	- Saving (yr1 £214,000 10 yr avg £166,000)	January 2017	£166,000	£166,000	
V29.2	Review Greenspace Management Contract (HRA)	Complete		Apr-16	Jan-17	O.Handson	Green	Green	Green	- Benefits delivered Jan 2017	- Saving (yr1 £117,000 10 yr avg £94,000)	January 2017	£94,000	£94,000	
V35	Accommodation Review	Scheduled		May-16	Aug-16	P.Warters	Green	Amber	Amber	- Accommodation Strategy	- Income and support other changes				
Vision 2020 (PHASE 2)															
ID	Name	Status	Budget	Start Date	End Date	Lead	Budget	Time	Benefits	Notes	Type of Benefits	Benefits Start Date	Benefit Minimum	Benefit Max	
V23	Review of Cabinet / Committee Structure	Running	N/A	Apr-16	Jul-16	N.Lynn	RED	Amber	RED	- Full Council March & 20th July 2016	- Savings	N/A	N/A	N/A	
V24	Review of grants to Voluntary Sector	Scheduled	N/A	Jun-16	Nov-16	R.Wickham	Amber	Green	Amber		- Saving	April 2017	£2,500	£3,500	
V25	Review of Council involvement in anti-social behaviour	Running		Mar-16	Sep-16	R.Wood	Green	Amber	Green	- Requires CMT/member decision on scope of services needed from April 2017	- Saving	April 2017	£12,500	£12,500	
V26	Fewer charitable events for Chairman	Running		Jan-16	Sep-16	P.Askew	Green	Green	Green		- Saving	2016/17	£5,000	£10,000	
V27	Review of Wellbeing involvement	Running		Jan-16	Dec-16	R.Wood	Green	Amber	RED	- Requires CMT/member decision on organisation structure and scope of services needed from April 2017	- Saving	Apr-17	£0	£80,000	
V28	Review of delegation to Committees and officers	Running		Apr-16	Nov-16	N.Lynn	Amber	Amber	Amber	- Cabinet March & June 2016	- Savings	Apr-17			
AIP38	Review of Estate Management	Running	£60,000	Nov-15	Dec-16	A.Peach	Green	Amber	Amber		- Saving	2017/18	£20,000	£25,000	
V30	Increase income from out of hours printing	Running		Mar-16	Mar-17	J.Northeast	Green	Green	Amber	- Assessment of high speed copier underway	- Income	December 2016	£500	£5,000	
V31.1a	Management Structure (CMT) 5 > 4	Running		Mar-16	Nov-16	N.Lynn	Amber	Green	Green	- Member workshop 16/06/2016 - Cabinet 27/06/2016	- Savings	2017/18	£100,000	£100,000	
V31.1b	Management Structure (CMT) 4 > 3	Running		Mar-16	Nov-16	N.Lynn	Amber	Green	Green	- Member workshop 16/06/2016 - Cabinet 27/06/2016	- Savings	2018/19	£100,000	£100,000	
V31.2	Management Structure (Group Heads)	Running		Aug-16	Apr-17	N.Lynn	Amber	Green	Green	- Member workshop 16/06/2016 - Cabinet 27/06/2016	- Savings	2018/19	£100,000	£200,000	

V32	Events Management	Running	N/A	Jan-16	Dec-16	J.Russell-Wells	Green	Green	Amber	- Further review to verify saving / income as part of project	- Saving / income	April 2017	£5,000	£25,000
V33	Review all discretionary and statutory services	Scheduled		Dec-16	Apr-17	N.Lynn	RED	RED	RED	Work to take place following management restructure. Some service areas already identified in 20 July Full Council report	- Savings			
V34	Review of administration	Scheduled		Aug-15	TBA	N.Croad	Amber	Amber	Amber	- Requires CMT decision on scope of services needed from April 2017	- Savings	2017/18	£15,000	£22,000

Arun Improvement Programme (AIP)

ID	Name	Status	Budget	Start Date	End Date	Lead	Budget	Time	Benefits	Notes	Type of Benefits	Benefits Start Date	Benefit Minimum	Benefit Max
AIP33.3	Web Replacement - Town/Parish	Hold	TBA	TBA	TBA	R.Webb	RED	RED	RED		- support model for town & parish councils		£0	£2,500
AIP 34	Finance Replacement System & Review	Running	£300,000	Aug-15	Oct-16	C.Martlew	Green	Green	Amber		- Risk reduction & sustainability - licence resource saving £40,000 - £60,000 pa	2017/18	£40,000	£60,000
AIP36	Replacement EH System & Review	Running	£170,000	Nov-16	Dec-17	N.Slade	Amber	Amber	Amber		- Savings / income Yr2 £35K - Yr3 £90-£100K	Jun-18	£90,000	£100,000
AIP28	Carparks On-Line Appeals	Complete	£8,750	Jan-14	Jan-16	C.Baylis	Green	Green	Green		- Savings	05-Sep-16	£10,746	£10,746
AIP39	Replace Planning System	Hold	TBA	TBA	TBA	K.Roberts	RED	RED	Red		- EU procurement rules			
AIP43	Replace R&B System	Hold	TBA	TBA	TBA	I.Bell	RED	RED	Red		- EU procurement rules			
AIP42	Replace Corporate EDRMS/DMS	Hold	TBA	TBA	TBA	P.Symes	RED	RED	Red		- EU procurement rules			

Gross Total	£2,091,246	£3,903,246
Base budget	£240,000	£290,000
Total	£1,851,246	£3,613,246