

Committee Manager : Jane Fulton (Ext 37611)

29 January 2019

## **CABINET**

A meeting of the Cabinet will be held in Committee Room 1 (Pink Room) at the Arun Civic Centre, Maltravers Road, Littlehampton, on **11th February 2019 at 5.00 pm** and you are requested to attend.

Members : Councillors Mrs Brown (Chairman), Wensley (Vice-Chairman), Bence, Charles, Clayden, Haymes, 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 pecuniary, personal and/or prejudicial interests that they may have in relation to items on this agenda and are reminded that they should re-declare their interest before consideration of the item or as soon as the interest becomes apparent.

Members and officers should make their declaration by stating :

- a) the item they have the interest in
- b) whether it is a pecuniary, personal and/or prejudicial
- c) the nature of the interest
- d) if it is a pecuniary or prejudicial interest, whether they will be exercising their right to speak under Question time

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. URGENT BUSINESS

The Cabinet may consider items of an urgent nature on functions falling within their responsibilities where special circumstances apply. Where the item relates to a key decision, the agreement of the Chairman of the Overview Select Committee must have been sought on both the subject of the decision and the reasons for the urgency. Such decisions shall not be subject to the call-in procedure as set out in the Scrutiny Procedure Rules at Part 6 of the Council's Constitution.

5 MINUTES

To approve as a correct record the Minutes of the Cabinet meeting held on 14 January 2019 (as attached).

6 BUDGET VARIATION REPORT

To consider any reports from the Group Head of Corporate Support

7 BUDGET MONITORING REPORT TO 31 DECEMBER 2018

The Budget Monitoring report sets out the Capital, Housing Revenue and General Fund Revenue budget performance to the end of December 2018.

8 ARUN DISTRICT COUNCIL BUDGET 2019/20

This report sets out the Council's Capital, Housing Revenue and General Fund Revenue budgets for 2019/20 including Council Tax and rent levels.

9 JUDICIAL REVIEW AT LAND SOUTH OF NEW ROAD (A259) AND EAST OF BROOK LANE, ANGMERING (PLANNING APPLICATION REFERENCE A/23/15/OUT)

An application for Judicial Review (JR) of the decision by Arun District Council to grant planning application for a retail unit and public house at Land south of New Road (A259) & East of Brook Lane, Angmering (reference A/23/15/OUT) has been filed by Store Property Investments Limited. If the application for the JR to be heard is allowed and the Council considers that it is expedient to defend the JR, legal support will be required. Should the Claimant be successful the Council will automatically be liable to pay their costs associated with the JR. Approval is therefore sought to approve a supplementary estimate of up to £150,000 to cover costs of defending this JR.

10 JOINT AREA COMMITTEES

To consider and note the Minutes from the meeting of the Joint Western Arun Area Committee held on 31 October 2018.

## **ITEMS PUT FORWARD BY THE OVERVIEW SELECT COMMITTEE / WORKING GROUPS**

### 11. OVERVIEW SELECT COMMITTEE – 29 JANUARY 2019

To consider any recommendations from the meeting of the Overview Select Committee held on 29 January 2019 (which will be circulated separately).

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) or accessed via the website at [www.arun.gov.uk](http://www.arun.gov.uk)

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.

Subject to approval at the next Cabinet meeting

275

CABINET

14 January 2019 at 5.00 pm

Present : Councillors Mrs Brown (Chairman), Wensley (Vice-Chairman), Bence, Clayden and Haymes.

Councillors Ambler, Edwards, Gammon, Mrs Oakley, Mrs Porter and Wheal were also in attendance at the meeting.

348. WELCOME

The Chairman welcomed Councillors and Officers to the meeting.

349. APOLOGIES FOR ABSENCE

Apologies for Absence had been received from Councillor Charles and Wotherspoon.

350. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

351. PUBLIC QUESTION TIME

The Chairman confirmed that no public questions had been received.

352. MINUTES

The Minutes of the meeting held on 10 December 2018 were approved by the Cabinet as a correct record and signed by the Chairman.

353. BUDGET VARIATION REPORT

There was no item for this meeting.

Subject to approval at the next Cabinet meeting

276

Cabinet – 14.01.19

354. CORPORATE PLAN 2018-2022 – QUARTER 2 PERFORMANCE REPORT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2018

Councillor Mrs Brown presented the Corporate Plan 2018-2022 – Quarter 2 – Performance Report for the period 1 April to 30 September 2018.

Councillor Mrs Brown outlined that there were eleven Corporate Plan indicators with six being measured at Quarter 2. Out of these, five had been categorised as overachieving their targets and one had been categorised as achieving its target.

Based on this, it was believed that no remedial action was required at the Quarter 2 stage as all indicators measured at Quarter 2 were either over achieving or on target to achieve their target.

The Cabinet

RESOLVED

That the Council's Quarter 2 Performance against the targets for the Corporate Plan indicators, as set out in the report and as set out in Appendix A attached to the report be noted.

The Cabinet then confirmed its decision as per Decision Notice C/035/140119), a copy of which is attached to the signed copy of the Minutes.

355. SERVICE DELIVERY PLAN 2018-2022 – QUARTER 2 PERFORMANCE REPORT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2018

The Group Head of Policy presented the Service Delivery Plan 2018-2022, Quarter 2 Performance report for the period 1 April to 30 September 2018.

It was explained that there were 22 Service Delivery Plan (SDP) indicators and that thirteen indicators had been measured at Quarter 2. Seven had been categorised as overachieving their targets; five as not achieving and one had no data available at Quarter 2.

It was reported that for two of the indicators which were not achieving their target, action was required. The first indicator was SDP22 – the number of Council properties with a valid gas safety certificate and it was explained that 2,350 properties needed a valid certificate. Out of all of these Officers had been unable to gain access to one property, however, since the data had been recorded, on 1 October 2018, access had now been gained into the property and the necessary gas safety check had been undertaken.

Subject to approval at the next Cabinet meeting

277

Cabinet – 14.01.19

The other SDP indicator requiring action was SDP18 – Cost of emergency accommodation per annum (net). The Group Head of Policy explained that this year had seen an unprecedented demand for temporary accommodation. This had been due to a combination of factors including the implementation of the Homelessness Reduction Act and the increase in homelessness generally. More robust management control processes had recently been adopted with the objective to ensure that households only occupied temporary accommodation for the shortest period of time. To assist in this work, Full Council had resolved, at its meeting held on 9 January 2019, that a supplementary estimate of up to £650k be approved.

The Cabinet

RESOLVED

That the Council's Quarter 2 Performance against the targets for the Service Delivery Plan Indicators as set out in the report and Appendix A attached to the report be noted, along with the remedial actions to be taken against two of the indicators which were not achieving at Quarter 2.

The Cabinet then confirmed its decision as per Decision Notice C/036/101218, a copy of which is attached to the signed copy of the Minutes.

### 356. STREET NAMING AND PROPERTY NUMBERING POLICY

The Cabinet Member for Technical Services, Councillor Haymes, presented this report which set out an updated Policy for the Council to adopt in respect of its street naming and property numbering. The Policy had last been updated in 2016, with this current version removing any ambiguity which may have been found with some properties in the previous Policy.

The Chairman then announced that she had received notification from one Councillor that he wished to speak on this item and so she stated that she would invite him to make his statement first before inviting debate on this item.

Councillor Gammon enquired how the Council could enforce the displaying of property numbers for those addresses that only used names.

The Group Head of Technical Services was invited to respond. He explained that the Council did have powers to require addresses to display numbers but only if this was causing a particular problem with for example the Royal Mail, or emergency services navigating the area. Councillor Gammon was advised to provide further information to the Group Head of Technical Services so that any particular areas of concern could be investigated.

Subject to approval at the next Cabinet meeting

278

Cabinet – 14.01.19

The Group Head of Technical Services then presented the report and stated that the reasons for reviewing the street naming and property numbering policy had already been explained by the Cabinet Member for Technical Services. The Policy had been last updated back in 2016, however, following a recent official complaint, the wording within the Policy had been found to be ambiguous and in need of updating in respect of the how the Council handled requests for property names to be added or changed. The fees contained within Appendix E of the Policy had also been increased to take account of inflation in the years since the Policy had last been updated.

The Cabinet

RESOLVED – That

- (1) The updated Street Naming and Property Numbering Policy be adopted providing a framework for the Council to administer and provide the street naming and property numbering for the District; and
- (2) Authority be delegated to the Group Head of Technical Services to make minor amendments to the Street Naming and Property Numbering Policy, including the fees.

The Cabinet then confirmed its decision as per Decision Notice C/037/140119, a copy of which is attached to the signed copy of the Minutes.

### 357. NOVATION OF GREENSPACE MANAGEMENT CONTRACT

The Group Head of Neighbourhood Services presented a report which was asking the Council to approve the novation of the Council's Greenspace Management Contract from ISS Facility Services Landscaping (ISS FSL) to Tivoli Group Ltd.

It was explained that on 31 May 2018, ISS FSL sold the trade and assets of its UK Landscaping division to Tivoli Group Limited (TGL). TGL had been incorporated in December 2017 as a subsidiary of its ultimate holding company, Amistha Holdings Limited, with the vision of being the UK's leading Grounds Maintenance provider.

On receiving notification of the proposed sale, the Council undertook due diligence to mitigate any risks to it associated with the proposal. This involved specialist legal and procurement advice concerning the contractual implications to the Council and the legal implications of compliance with the UK Public Contracts Regulations 2015.

Subject to approval at the next Cabinet meeting

279

Cabinet – 14.01.19

Following the receipt of thorough legal and procurement advice, the Director of Services was satisfied that the Council had mitigated the potential risks as far as possible of novating the Contract. A novation agreement along with a Parent Company Guarantee (PCG) had been agreed and drafted, which would be finalised pending Council approval.

The Cabinet

RESOLVED - That

- (1) The novation of the Greenspace Management Contract from ISS Facility Services Landscaping to Tivoli Group Ltd, for the reasons outlined in the report be approved; and
- (2) A Parent Company Guarantee be approved from Amishta Holdings, the parent company of Tivoli Group Ltd.

The Cabinet then confirmed its decision as per Decision Notice C/038/140119, a copy of which is attached to the signed copy of the Minutes.

(The meeting concluded at 5.10 pm)



**AGENDA ITEM NO. 7****ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET  
ON 11 FEBRUARY 2019****PART A : REPORT**

<b>SUBJECT: Budget Monitoring report to 31 December 2018</b>
--

<b>REPORT AUTHOR:</b> Carolin Martlew, Financial Services Manager <b>DATE:</b> October 2018 <b>EXTN:</b> 37568 <b>PORTFOLIO AREA:</b> Corporate Support
--

**EXECUTIVE SUMMARY:**

The budget monitoring report sets out the Capital, Housing Revenue and General Fund Revenue budget performance to the end of December 2018.

**RECOMMENDATIONS:**

Cabinet is requested to:

- (i) Note the report in Appendix 1;
- (ii) Note that overall performance against budget is currently on track; and
- (iii) Note the successful grant application for £50k from the Coastal Revival Fund (MHCLG) for the Bognor Regis Band Stand.

**1. BACKGROUND:**

The Council approved a General Fund revenue total net expenditure budget of £24.221 million; a Housing Revenue Account revenue total expenditure budget of £17.761 million; and a capital budget of £20.357 million for the year 2017/18. This report provides information to enable actual spending and income to be monitored against profiled budget for the period to 31 December 2018.

**2. PROPOSAL(S):**

The Cabinet is requested to note the budget monitoring report in Appendix 1. The report provides information on a management by exception basis to enable the reader to understand the overall performance of the council within the context of the budget book summary.

**3. OPTIONS:**

n/a

<b>4. CONSULTATION:</b>		
Has consultation been undertaken with:	<b>YES</b>	<b>NO</b>
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>		
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)		✓
<b>6. IMPLICATIONS:</b>		
The overall performance against budget is on track.		
<b>7. REASON FOR THE DECISION:</b>		
To ensure that spending is in line with approved Council policies, and that it is contained within overall budget limits.		
<b>8. EFFECTIVE DATE OF THE DECISION: 19 February 2019</b>		
<b>9. BACKGROUND PAPERS:</b>		
Revenue and Capital Estimates 2018-2019. <a href="http://www.arun.gov.uk/financial-information/">http://www.arun.gov.uk/financial-information/</a>		

# ARUN DISTRICT COUNCIL BUDGET MONITORING

## Financial Position as at end of December 2018

### 1. Introduction

- 1.1 This report sets out the Capital, Housing Revenue and General Fund Revenue budget performance to end of December 2018 and presents performance information for all aspects of financial risk such as Income and specific savings targets.
- 1.2 Budget performance is presented after taking account of the following:
- Spend to date excluding commitments against profiled budgets.
  - Consultation with managers and budget holders on service performance.
  - Virements identified where possible from existing budgets to cover budget pressures.

### 2. General Fund Summary

- 2.1 The budget was approved by Full Council on 21 February 2018.
- 2.2 The General Fund performance to end of December 2018 against profiled budget is given in the table below. The table presents only the variances on budget in excess of +/- £20k.

<b>General Fund variance on profiled budget to end of Dec 2018</b>			
	<b>Variance on Budget Nov £'000</b>	<b>Variance on Budget Dec £'000</b>	<b>Change £'000</b>
<b>Service controllable spend</b>			
<b>Neighbourhood Services</b>			
Car Parks - Fees and Charges	(67)	(61)	6
Cemeteries - Fees and Charges	(51)	(57)	(6)
<b>Planning</b>			
Planning - Fees and Charges	75	7	(68)
<b>Technical Services</b>			
Building Control - Fees and Charges	(56)	(45)	11
Licensing - Fees and Charges	(77)	(71)	6
<b>Residential Services</b>			
Nightly Paid Accommodation	417	458	41
<b>Other Variances less than +/- 20k</b>	(11)	(181)	(171)
<b>Total Service controllable budget variance</b>	<b>264</b>	<b>50</b>	<b>(215)</b>
<b>Corporate controllable budget</b>			
Establishment against savings target	(156)	(281)	(125)
Corporate underspend (net)	(160)	(172)	(12)
<b>General Fund underspend variance against profiled budget</b>	<b>(52)</b>	<b>(403)</b>	<b>(352)</b>

- 2.3 The table shows a general fund underspend of (£403k) against current budget profile to the end of December 2018. Variations on service controllable budgets are presented first, followed by establishment, insurance and rates which are corporate and monitored in separate sections.
- 2.4 Planning income profile has reduced to £7k from the previous month. During the past 18 months the service has received a high volume of applications on strategic sites, which is a considerable factor in the overall level of income, however, during the past 6 months, fewer submissions have been received. Approximately £210k is anticipated to be received for 3 larger developments, where pre application advice has been provided by the service, by the end of the Financial Year, which will help to meet the current year's budget target.
- 2.5 At the end of December a total of 273 households had been accommodated in nightly paid accommodation to date. Gross expenditure at the end of December was £1,405k (budget of £950k). The percentage of Housing Benefit recovered has increased over the last three months and is currently at 30%, resulting in a net variation of £458k against expected. A request has been made for a supplementary estimate for an additional £650k net expenditure which was considered at Cabinet on 12 November and will be forwarded onto Full Council on 9 January 2019 for approval.
- 2.6 The corporate underspend relates to identified unrequired contingency and corporately controlled budgets and Government grants that are available for potential resource allocation. Budgets are set based on assumptions about service delivery, which sometimes result in a different actual budget requirement resulting in surplus budget. As these are identified, the surplus budget is vired to a corporate underspend account and made available for resource re-allocation. The advantage of this is a reduction in the need for supplementary estimates and managing service delivery within the approved budget and Medium Term Financial Strategy (MTFS). SMT (Senior Management Team) are expected to exercise their discretion in managing their budgets responsibly and prudently and wherever possible meeting additional cost pressures by virement from within existing budgets.
- 2.7 An additional (£50k) was identified from investment income as being available to transfer to the corporate underspend. The net corporate underspend is £172k at the end of December 2018 and the breakdown is shown in the following table:

<b>Corporate Underspends Confirmed Dec 2018</b>			
	<b>Nov 18</b>	<b>Dec 18</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Underspends from services	157	157	0
Additional investment income	100	150	50
Underspends from contingencies/miscellaneous budgets / corporate controllable	30	30	0
Additional non-ringfenced grants	19	19	0
<b>Total identified corporate underspend</b>	<b>306</b>	<b>356</b>	<b>50</b>
Virements actioned/earmarked from corporate underspend	(184)	(184)	0
<b>Corporate Underspends Dec 2018 (Net)</b>	<b>122</b>	<b>172</b>	<b>50</b>

- 2.8 The change in the planned original budget General Fund Reserve movement due to supplementary estimates and budget performance to end of December 2018 is shown in the table below:

<b>General Fund Reserve Movement estimated outturn 2018/19</b>	<b>Original Budget £'000</b>	<b>Current Budget £'000</b>
<b>Net Budget Requirement</b>	<b>24,292</b>	<b>26,534</b>
<b>Financed by:</b>		
Government Grants and Retained Business Rates	(9,289)	(9,531)
Council Tax	(15,003)	(15,003)
<b>Taken From / (Added to) Balances</b>	<b>(0)</b>	<b>2,000</b>
<b>General Fund Balance 01 April 2018</b>	<b>9,334</b>	<b>9,334</b>
Transfer to Business Rates Earmarked Reserve	0	(2,000)
Supplementary Estimates	0	0
Outturn on General Fund	0	0
Current Budget Variation Estimated Outturn 2018/19	0	403
<b>General Fund Balance 31 March 2019</b>	<b>9,334</b>	<b>7,738</b>

- 2.9 There have been no supplementary estimates to date. However, a supplementary estimate of £650k for Homelessness (Paragraph 2.5) has been considered by Cabinet and is subject to approval from Full Council on 9 January 2019. A transfer of £2M was approved by Cabinet on 17 September 2018 to the Business Rates Reserve (C/012/170918). The earmarked reserve will be utilised to mitigate against the effects of the anticipated reduction in central government funding caused by the Business Rate reset (effective from 2020/21).

- 2.10 The Council has been successful in an application for a Coastal Revival Fund grant of £50k for Bognor Regis Band Stand.

### **3. Earmarked Reserves**

- 3.1 Earmarked reserves are amounts set aside from General Fund Reserve to provide financing for specific future expenditure plans and held alongside the General Fund for drawdown as required under the scheme of virement. These reserves need to be reviewed regularly to ensure that they are being drawn down as appropriate or returned to General Fund reserve.

### **4. Externally Funded Services**

- 4.1 Arun District Council hosts a number of services under its stewardship as the Accountable Body. Whilst these services are entirely externally funded, Arun District Council has service provision interests. These services are the Wellbeing team, the Think Family Programme and Car Parking enforcement. There are no budgetary concerns to report on these services.

### **5. Establishment**

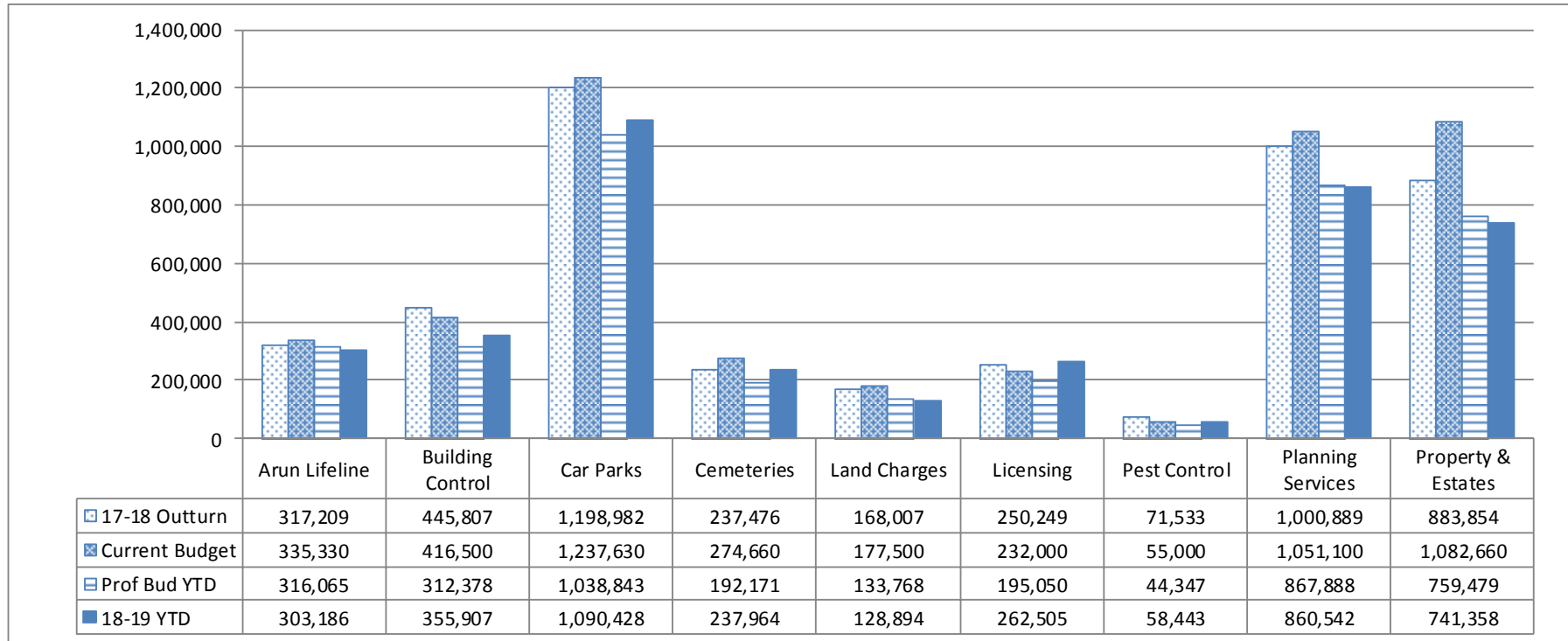
- 5.1 Each year a vacancy management target is included within the budget to ensure that the establishment complement is scrutinised for efficiency and reflects the needs of on-going service delivery changes. For Financial Year 2018/19 the target is set at £450k.
- 5.2 The savings target is currently over achieving by (£281k).

### **6. Income**

- 6.1 Income from fees, charges and rents are included within net cost of service. In total this amounts to an overall financing of £4.84 million. 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.
- 6.2 Overall, total income is currently (£179k) above expected.
- 6.3 The graph on the following page shows income by source and value, achievement to end of December 2018 against profiled budget, full year budget and outturn last year.

Item No. 7 – Appendix 1

General Fund Income



## 7. Housing Revenue Account

7.1 The table below shows the HRA monitoring summary to the end of December 2018:

<b>Housing Revenue Account: December 2018</b>	
<b>Forecast level of balance</b>	
<b>HRA Reserve Movement</b>	<b>£'000</b>
HRA balance 01 April 2018	7,963
Budgeted deficit for 2018/19	(1,248)
Supplementary approvals (itemised below)	0
Other changes (itemised below)	(640)
<b>Forecast balance at 31st March 2019</b>	<b>6,075</b>
<b>Other changes</b>	
Identified as part of 2017/18 accounts closure process:	
Capital slippage	(495)
Revenue slippage	(145)
<b>Total Other Changes</b>	<b>(640)</b>

7.2 The table below summarises the expenditure on supervision and management for December 2018:

<b>Details of Supervision &amp; Management expenditure for the period ending 31st December 2018</b>					
	<b>Original Budget £'000</b>	<b>Current Budget £'000</b>	<b>Profiled to date £'000</b>	<b>Actual to date £'000</b>	<b>Variation to date £'000</b>
Employees	1,563	1,513	1,110	1,076	(34)
Grounds maintenance	179	189	139	124	(15)
Heating & Lighting	424	424	318	277	(41)
Other premises costs	396	403	222	170	(52)
Transport expenses	79	79	47	35	(12)
Supplies & services	520	612	387	389	2
Contingencies/miscellaneous	319	289	0	0	0
Support services	1,304	1,304	0	0	0
Pension deficit contributions	273	273	0	0	0
<b>Total Expenditure</b>	<b>5,057</b>	<b>5,086</b>	<b>2,223</b>	<b>2,071</b>	<b>(152)</b>

7.3 HRA income consists almost entirely of rents. The key risk here is loss of income due to right to buy (RTB) disposals and void dwellings.

7.4 The estimated number of RTB disposals for 2018-19 was set at 20 (there were 18 RTB disposals in 2017-18 and 24 in 2016-17). To date there have been 8 disposals in the current year.



- 7.5 Details of the HRA capital, improvements and repairs programmes are shown in paragraphs 8. Paragraph 9, covering Capital Receipts also has relevance for the Housing Revenue Account.

## **8. Capital, Asset Management and Other Projects Programme**

- 8.1 The Council's budget for 2018/19 included several projects which although included in the Capital budget for project management and monitoring purposes cannot, under current accounting regulations, be charged to the capital accounts. The revenue expenditure and budget relating to these projects is transferred to services on a quarterly basis.
- 8.2 The capital and projects budget will continue to be monitored on a corporate level as this provides better information and control of the budget.
- 8.3 The table on the next page has been restated to include Capital and Revenue Expenditure for both General Fund and Housing Revenue Account.

### **General Fund**

- 8.4 Nothing further to report this month. There are no overspends anticipated in relation to capital budgets.

### **Housing Revenue Account**

- 8.5 The focus for 2018/19 has been on establishing the baseline position in terms of health and safety compliance and analysis of the stock condition survey data. This has resulted in the capital programme being curtailed to ensure that resources are directed according to need and value for money demonstrated. This analysis has resulted in a significant increase in the capital budget for 2019/20 and subsequent years. This is a reflection of the substantial investment that is required in our stock, to ensure that it is fit for purpose. In parallel it represents the work that is also required to ensure that as a landlord we are compliant in all or legal and health and safety duties.

**Asset management and other projects monitoring - December 2018**

	Original Budget £'000	Current Budget £'000	Actual to date £'000	Balance £'000
<b>General Fund</b>				
<i>Technical Services</i>				
Asset Management	560	1,842	813	1,029
Works to Public Conveniences	200	785	340	445
Seafront Trial Concession	-	276	6	270
Leisure Works	-	206	106	100
18 Waterloo Square	-	353	118	235
Reactive Maintenance	154	184	173	11
Littlehampton East Bank	-	50	-	50
Disabled Facilities Grants	1,000	1,382	719	663
Renovation Grants	-	48	(4)	52
<i>Corporate Support</i>				
Computer Services	146	146	41	105
GDPR	50	50	11	39
Telephone Switch Upgrade	-	11	2	9
Arun Improvement Programme (AIP)	-	97	20	77
Web/Integration	-	134	-	134
Modern Gov	-	77	5	72
EH System	-	111	42	69
<i>Community Wellbeing</i>				
Littlehampton Wave	-	12,719	9,513	3,206
<i>Neighbourhood Services</i>				
Play Areas	100	122	-	122
Bognor Seafront Play Equipment		120	109	11
Sea Road Skatepark		50	-	50
West Park		70	66	4
Hotham Park		65	63	2
Hampshire Avenue		78	78	-
Southfields Rec		40	38	2
Lashmar Rec MUGA		6	6	-
<i>Residential Services</i>				
Grants to Registered Social Landlords	100	400	-	400
Homelessness		67	36	31
<b>Total General Fund</b>	<b>2,310</b>	<b>19,489</b>	<b>12,301</b>	<b>7,188</b>
<b>Housing Revenue Account</b>				
Stock Development	15,000	16,577	2,391	14,186
Housing IT	-	152	3	149
Housing Improvements	712	927	229	698
Churchill House Boiler Room*	300	385	404	(19)
Reroofing Programme	550	550	5	545
Kitchen & Bathroom Replacement Programme	400	400	360	40
Kitchen & Bathroom Replacement - Voids*	140	192	192	-
Fire Precaution	535	532	29	503
Aids & Adaptations*	410	358	200	158
Housing Repairs*	1,514	1,675	1,033	642
Day to Day General Repairs*	1,526	1,697	1,236	461
Voids*	876	705	529	176
Domestic Gas Installations*	600	600	530	70
<b>Total Housing Revenue Account</b>	<b>22,563</b>	<b>24,750</b>	<b>7,141</b>	<b>17,609</b>
<b>Total Programme</b>	<b>24,873</b>	<b>44,239</b>	<b>19,442</b>	<b>24,797</b>

## 9. Capital Receipts

- 9.1 Arun has entered into an agreement with the Government to retain the additional receipts 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 (the 70/30 rule). 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 table below shows Arun's investment requirements under the above terms.

	<b>£'000</b>
"1 for 1" receipts accrued to 31 December 2018	5,447
Arun's 70% contribution (70/30 X £5,447k)	12,710
Total investment requirement	18,157
Less amount already invested to 31 December 2018	8,607
<b>Remaining investment requirement</b>	<b><u>9,550</u></b>
By 30/06/2019	52
By 30/09/2019	1,066
By 31/12/2019	1,773
By 31/03/2020	843
By 30/06/2020	800
By 30/09/2020	1,273
By 31/12/2020	630
By 31/03/2021	1320
By 30/06/2021	880
By 30/09/2021	703
By 31/12/2021	210
<b>Total</b>	<b><u>9,550</u></b>

- 9.2 One of the key priorities of Arun's HRA Business plan is a development programme to enable the delivery of an additional 250 new Council dwellings over a ten year period. The Council is relying on this programme to meet the investment requirement set out above but the situation will need to be carefully monitored (with the exception of the most recently acquired dwelling, where exemption has been applied for but not yet obtained).
- 9.3 In order to protect the Council's investment in the provision of new social housing, exemption from capital receipt pooling has been obtained in respect of all Arun's new dwellings in the current investment programme.
- 9.4 Exemption from pooling will be sought for all future newly built or acquired dwellings. This will enable Arun to retain 100% of the receipts from any future right to buy disposals in respect of these new dwellings (although it's worth noting that these receipts will be net of any discount entitlement).

## 10. Section 106 sums

- 10.1 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.
- 10.2 Many section 106 sums are spent on one-off projects in accordance with the terms of the various agreements, the remainder being used to fund ongoing maintenance commitments. Any additional expenditure funded from section 106 sums is subject to Individual Cabinet Member or Cabinet approval in accordance with the terms of the Council's constitution.
- 10.3 Some Section 106 sums are time limited in that the Council is required, under the terms of the agreement, to spend the amount received on the project specified in the agreement within a set time scale. Failure to comply with this requirement will lead to the Council having to repay the Section 106 sum plus interest, the interest often being calculated at a penalty rate.
- 10.4 The table below shows the amounts received for each agreement, analysed by its intended application, showing the allocation belonging to Arun which is £7,832k and non Arun £2,512k (total £10,344k). There is currently £58k which needs to be spent within the next year.

Section 106 sums held on deposit as at 31 December 2018								
	Community					Arun Total £'000	Non Arun £'000	Total £'000
	Affordable Housing £'000	Facilities and other £'000	Play Grounds £'000	Open Spaces £'000	Bus Shelters £'000			
	Site 6, Land at North Bersted		21		377			
Site 6, Land North of Felpham	1038	96	118			1252	144	1396
The Wick site, Courtwick		44				44		44
Bognor Regis Community College		6	25			31		31
Courtwick Lane Land South of Railway		1738				1738	433	2171
Hollyacre Toddington		46	56	22		124	25	149
Land North of Toddington		0				0	409	409
Land at Pound Nursery		3	66			69	473	542
Land East of Roundstone Lane		1708				1708	63	1771
Other	1545	536	239	148		2468	965	3433
	<b>2,583</b>	<b>4,198</b>	<b>504</b>	<b>547</b>	<b>0</b>	<b>7,832</b>	<b>2,512</b>	<b>10,344</b>

## 11. Risk Analysis

- 11.1 Corporate and Operational risk registers are reviewed and updated for financial implications as part of the Council's risk management process on the criteria of probability of occurrence and materiality of impact upon balances. No significant risks have been identified.

- 11.2 Some lesser risks, however, are inherent within the overall budget. These are discussed below.
- 11.3 Paragraph 9.2 above outlines the situation with regard to the additional receipts generated by the relaxation of the Right to Buy discount rules (“1 for 1” receipts). The key risk here is that failure to make the necessary level of investment within the required timescale will lead to the Council having to repay to the Government some or all of these “1 for 1” receipts, together with interest at a penalty rate of base rate (currently 0.75%) plus 4%.

In addition the Council will need to have regard to the proposals outlined in a recently published Government consultation paper on the use of “1 for 1” receipts. One of these proposals is for the introduction of a price cap where “1 for 1” receipts are used to acquire, as opposed to build, dwellings. This could have significant implications for Arun’s development programme.

The Council has expressed its concerns about this proposal in its response to the consultation paper.

- 11.4 Recently, some retailers have decided to reduce their presence on the high street. If this trend continues, this could have a negative impact on Non Domestic Rate collections.
- 11.5 The United Kingdom is due to leave the European Union on 29 March 2019. Additional uncertainty leading up to Brexit could result in additional money market fluctuations and business plan changes. This could result in a reduction in money market returns and have a negative impact on Non Domestic Rate collections.
- 11.6 Work on the classification of Financial Instruments as a result of IFRS9) is ongoing (valuation of the Property Fund and Money Market Funds). There is currently no adverse effect anticipated for 2018/19 due to the issue of a statutory override being resolved.

## 12. Conclusions and Recommendations

Cabinet is requested to:

- (i) Note the report;
- (ii) Note that overall performance against budget is currently on track;
- (iii) Note the successful grant application for £50k from the Coastal Revival Fund (MHCLG) for the Bognor Regis Band Stand (2.10).

**AGENDA ITEM NO. 8****ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET  
ON 11 FEBRUARY 2019****PART A : REPORT**

<b>SUBJECT:</b> Arun District Council Budget 2019/20
--

<b>REPORT AUTHOR:</b> Alan Peach, Group Head of Corporate Support <b>DATE:</b> December 2018 <b>EXTN:</b> 37558 <b>PORTFOLIO AREA:</b> Corporate Resources
---

<b>EXECUTIVE SUMMARY:</b> The report sets out the Revenue and Capital Budgets for 2019/20 for both the General Fund and the Housing Revenue Account.
--

**RECOMMENDATIONS:**

Cabinet is requested to **note**:

- that the Group Head of Corporate Support, in consultation with the Deputy Leader of the Council and Cabinet Member for Corporate Support, has approved a Council Tax base of 61,281 for 2019/20;
- the budget report in **Appendix A, 1, 2 and 3**.

Cabinet is requested to recommend to **Full Council** that:

- i. The General Fund Revenue budget as set out in Appendix 1 is approved;
- ii. The Council's Band D Council Tax for 2019/20 is set at £181.62, an increase of 2.96%;
- iii. The Council's Council Tax Requirement for 2019/20, based on a Band D Council Tax of £181.62, is set at £11,129,855 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements;
- iv. The Housing Revenue Account (HRA) Budget as set out in Appendix 2 is approved;
- v. The HRA rents for 2019/20 are set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Act;
- vi. HRA garage rents are increased by 5% to give a standard charge of £11.72 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income; and
- vii. The Capital Budget as set out in Appendix 3 is approved.

<b>1. BACKGROUND:</b>		
Prior to the start of each financial year, the Council sets its budget, Council Tax levels and housing rent levels for the year.		
<b>2. PROPOSAL(S):</b>		
The Cabinet is requested to consider the report and to approve the recommendations.		
<b>3. OPTIONS:</b>		
n/a		
<b>4. CONSULTATION:</b>		
Has consultation been undertaken with:	<b>YES</b>	<b>NO</b>
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify) Overview Select Committee	✓	
<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	<b>YES</b>	<b>NO</b>
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)		✓
<b>6. IMPLICATIONS:</b>		
The budget will form the main reference point for financial decisions made in 2018/19.		
<b>7. REASON FOR THE DECISION:</b>		
To ensure that the council has a firm financial basis for conducting its business in 2019/20.		
<b>8. EFFECTIVE DATE OF THE DECISION: 20 February 2019</b>		

**9. BACKGROUND PAPERS:**

Financial Prospects 2018/19 to 2023/24 link:

<http://www1.arun.gov.uk/PublicViewer/Tempfiles/f6a1e3388aa345d.pdf>

Correspondence from the MHCLG (Ministry of Housing Communities and Local Government) and Department for Work and Pensions. Budget Working Papers (held by Accountancy).



# **ARUN DISTRICT COUNCIL BUDGET 2019/20**

## **REPORT BY THE GROUP HEAD OF CORPORATE SUPPORT**

### **1.0 Introduction**

1.1 This report sets out the Capital, Housing Revenue and General Fund Revenue budget for 2019/20. These budgets have been prepared taking account of the following:

- The Medium Term Financial Strategy 2018/19 to 2023/24 considered at Cabinet 17<sup>th</sup> September 2018.
- The provisional Local Government Finance settlement issued by the Ministry of Housing, Communities and Local Government (MHCLG) in December 2018.
- Housing Revenue Account business plan approved at Full Council 13<sup>th</sup> September 2017.
- The successful application of the West Sussex 75% Rate Retention Pilot for 2019/20

1.2 The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of calculating Council Tax and housing rent levels, and the adequacy of the proposed financial balances. I am satisfied that the estimates, as presented in the draft budget, are sufficiently robust and that the reserve balances proposed for 2019/20 are adequate.

### **2.0 Local Government Finance Settlement and Council Tax**

2.1 2019/20 represents the final year of the 4 year settlement that the Council accepted in 2016/17 (Revenue Support Grant; and Top-ups and Tariffs related to Retained Business Rates, including s31 grants). The Council is no longer in receipt of RSG (Revenue Support Grant) and this was due to become negative £430k (payment to the Government) in 2019/20. However, the negative RSG has been cancelled by the Government, resulting in a one off windfall for the Council in 2019/20. The Fair Funding Review (FFR) will determine funding allocations from 2020/21. It is likely that the level of future years funding will not be determined until late in 2019.

- 2.2 West Sussex has been successful in the application to become a 75% Business Rate Retention Pilot for 2019/20. The Business Rate Retention scheme was introduced in April 2013 and 2019/20, is anticipated to be the final year of the current scheme. The scheme focuses on promoting economic growth through the local retention of business rates. The West Sussex Business Rate Retention Pilot will be led by WSCC with all Districts and the County as members. The pilot will allow 75% of Business Rates to be retained locally with 20% retained by the Districts and 55% by the County. Previously, half of the rates revenue was retained locally with the local share being split between Arun (80%) and West Sussex County Council (20%). Although the percentage shares have changed the new pilot has been set up with the condition of no detriment to any of its members. The additional funding generated will be invested in superfast broadband, which is to the benefit of the whole of West Sussex.
- 2.3 The Business Rates Retention scheme has transferred a considerable risk to the council by linking MHCLG support directly to the local economy. This is a strong incentive for the Council to ensure that the business ratings list is fully inclusive and to encourage a buoyant local economy. It is also important to note any significant negative changes in the value of the ratings list will directly reduce the level of funding received in future, such as valuation appeals which can be backdated.
- 2.4 The Council has benefitted from, comparatively, large increases in its business rates base due to the substantial growth in the area. A reset of the Business Rates system in 2020/21 which would change the current tariffs, top ups and baselines and effectively remove the growth that an authority is able to retain, although the extent of the reset is yet to be determined.
- 2.5 The Business Rate reset could effectively wipe out all or a proportion of the past gains through growth built up since the inception of the scheme. There are no further details currently available and the situation will continue to be monitored closely due to the likely significant adverse impact on the Council's funding. However, a recent consultation paper suggests Ministers are minded to have a full baseline reset in 2020/21 which would have a significantly adverse effect on a high growth authority such as Arun.
- 2.6 The New Homes Bonus (NHB) was introduced in 2011/12. The aim of the grant is to create an incentive which rewards local authorities that deliver sustainable housing growth in their areas. The basis of the grant is that for each new housing unit delivered an annual bonus of £1,671 (band D equivalent) is payable. In addition, a £350 bonus is also paid for each additional unit of affordable housing. The NHB is shared between Arun (80%) and WSCC (20%).
- 2.7 The original NHB scheme guaranteed the annual allocation for a period of 6 years. When the scheme was reformed in 2017/18 this was reduced to 4 years and in addition a deadweight adjustment was introduced (for growth that was anticipated to have happened anyway). This has led to a significant reduction in NHB funding for the Council and the consultation regarding reform of the system adds more uncertainty for the future.

2.8 The New Homes Bonus for 2019/20 is £2.664.m (reduction of £69k). This includes an affordable homes premium of £53k. It was confirmed in the settlement that the baseline or deadweight adjustment for growth deemed to have happened anyway would continue at 0.4 percent for 2019/20. The level of NHB is summarised in the table below:

NHB Payment relating to:	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
2011/12	509	509	509	509	509	509	0	0	0
2012/13		556	556	556	556	556	0	0	0
2013/14			1,000	1,000	1,000	1,000	1,000	0	0
2014/15				484	484	484	484	0	0
2015/16					539	539	539	539	0
2016/17						926	926	926	926
2017/18							728	728	728
2018/19								540	540
2019/20									470
<b>Total</b>	<b>509</b>	<b>1,065</b>	<b>2,065</b>	<b>2,549</b>	<b>3,088</b>	<b>4,014</b>	<b>3,677</b>	<b>2,733</b>	<b>2,664</b>

2.9 The changes in Government grant funding are summarised in the table below:

<b>Non-Ringfenced Grant Income</b>	<b>Budget 2018/19 £'000</b>	<b>Budget 2019/20 £'000</b>	<b>Change £'000</b>
Business rates retention*	5,569	5,357	(212)
Revenue Support Grant (RSG)	194	0	(194)
<b>Total Formula Grant:</b>	<b>5,763</b>	<b>5,357</b>	<b>(406)</b>
<b>New Homes Bonus:</b>	<b>2,733</b>	<b>2,664</b>	<b>(69)</b>
<b>Other non-ringfenced grants:</b>			
Housing Benefits Administration Grant	430	399	(31)
Localising Council Tax Support Administration Grant	178	170	(8)
Business rates collection allowance	185	185	0
<b>Total Other Non-ringfenced grants: **</b>	<b>793</b>	<b>754</b>	<b>(39)</b>
<b>Total non-ringfenced grant income</b>	<b>9,289</b>	<b>8,775</b>	<b>(514)</b>
*including s31 grants, Tariff and Levy ** Excluding IER grant			

2.10 Non-ringfenced government grants have reduced significantly by £0.514m to £8.775m in 2019/20 (£9.289M 2018/19). The anticipated negative RSG of £430k forecast for 2019/20 was not implemented by the government (with the Government bearing the additional cost) and this will now be rolled up in the Better Funding Formula from 2020/21. The Housing Benefit administration grant has been reducing significantly with an additional reduction of £31k in 2019/20 to reflect the introduction of Universal Credit which has resulted in case load transfer to the Department of Work and Pensions (DWP).

2.11 Council Tax Income – Arun excluding Parish Councils is summarised in the table below:

Actual 2017/18	Arun excluding Parish Councils	Budget 2018/19	Budget 2019/20
59,456	Tax base *	60,402	61,281
£171.27	Band D Tax	£176.40	£181.62
£10,183,000	Council Tax Income (excluding parishes)	£10,655,000	£11,130,000

\*the tax base represents the number of Band D equivalent dwellings in the district adjusted for exemptions, discounts, council tax reduction and the collection rate percentage

The Council Tax income of £11,130m for Arun (excluding Parish/town Councils) referred to in the General Fund Summary (appendix 1) is based on an Arun Band D Council Tax of £181.62, which represents an increase of £5.22 or 2.96% (£5.13 or 2.995% 2018/19). Arun's tax base for 2019/20 shows a significant increase over 2018/19 (from 60,402 to 61,281). This is chiefly due to the completion of new dwellings in the District. The government's calculation of the Council's spending power is based on a 3% increase in band D Council Tax.

### 3.0 Budget Assumptions

- 3.1 The budget for 2019/20 includes the agreed 2.0% pay award. As in previous years, no provision has been made for price increases in goods, services and contracts except where there is clear evidence of the need for it.
- 3.2 With regard to fees and charges, increases have been applied either in accordance with statutory provisions, or, where the Council has discretion, by inflation, having regard to specific service circumstances.
- 3.3 HRA rents have been set at 1% below the 2018/19 current year's level in accordance with statutory provisions (Welfare Reform and Work Act).

### 4.0 General Fund Revenue Budget

- 4.1 A summary of the General Fund Revenue budget showing 2018/19 Original Budget and 2019/20 proposed budget, summarised by Service Portfolio is shown in **Appendix 1**. A summary of the projected movement on General Fund Reserve is shown in the table below:

<b>General Fund Reserve Movement</b>	<b>Original Budget £`000</b>	<b>Current Budget £`000</b>	<b>2019/20 Budget £`000</b>
<b>Net Budget Requirement</b>	24,292	26,534	24,491
<b>Financed by:</b>			
Government Grants and Retained Business Rates	(9,289)	(9,531)	(8,861)
Council Tax (including collection fund surplus)	(15,003)	(15,003)	(15,630)
<b>Taken From / (Added to) Balances</b>	<b>0</b>	<b>2,000</b>	<b>0</b>
<b>General Fund Balance 1 April</b>	<b>9,344</b>	<b>9,344</b>	<b>7,425</b>
Virement to Business Rates Reserve		(2,000)	
Outturn on General Fund		81	0
<b>Total (Taken From) / Added to Balances</b>	<b>0</b>	<b>(1,919)</b>	<b>0</b>
<b>General Fund Balance 31 March</b>	<b>9,344</b>	<b>7,425</b>	<b>7,425</b>

- 4.2 The original budget for 2018/19 assumed no change in General Fund Reserve. The current budget includes a virement to the Business Rates Reserve of £2.0m which is required to help stabilise the loss in grant income anticipated from the Business Rate reset (Financial Prospects 2018/19 to 2023/24 report C/012/070918). A supplementary estimate of £650k for Homelessness (nightly paid accommodation) has been considered at cabinet (C/022/121118) and a supplementary estimate for £150k for a judicial review in relation to a planning application (for a retail unit and public house, Angmering) will be considered at cabinet on 11<sup>th</sup> February 2019. The supplementary estimates are subject to approval by Full Council on 6<sup>th</sup> January 2019 and 13<sup>th</sup> March 2019 respectively. These changes result in an anticipated General Fund balance of around £7m at the end of 2018/19, subject to the positive current budget variation continuing.
- 4.3 The Council has received and is anticipating the receipt of significant s106 sums for maintenance in perpetuity in respect of a number of sites. However, the receipt of these sums will also lead to the requirement for additional revenue expenditure in respect of maintaining the relevant sites. These sums are not included in the budget for 2019/20 or the estimated outturn for 2018/19 as the timing of the receipts is not certain.

4.4 A summary of headline changes is given in the table below:

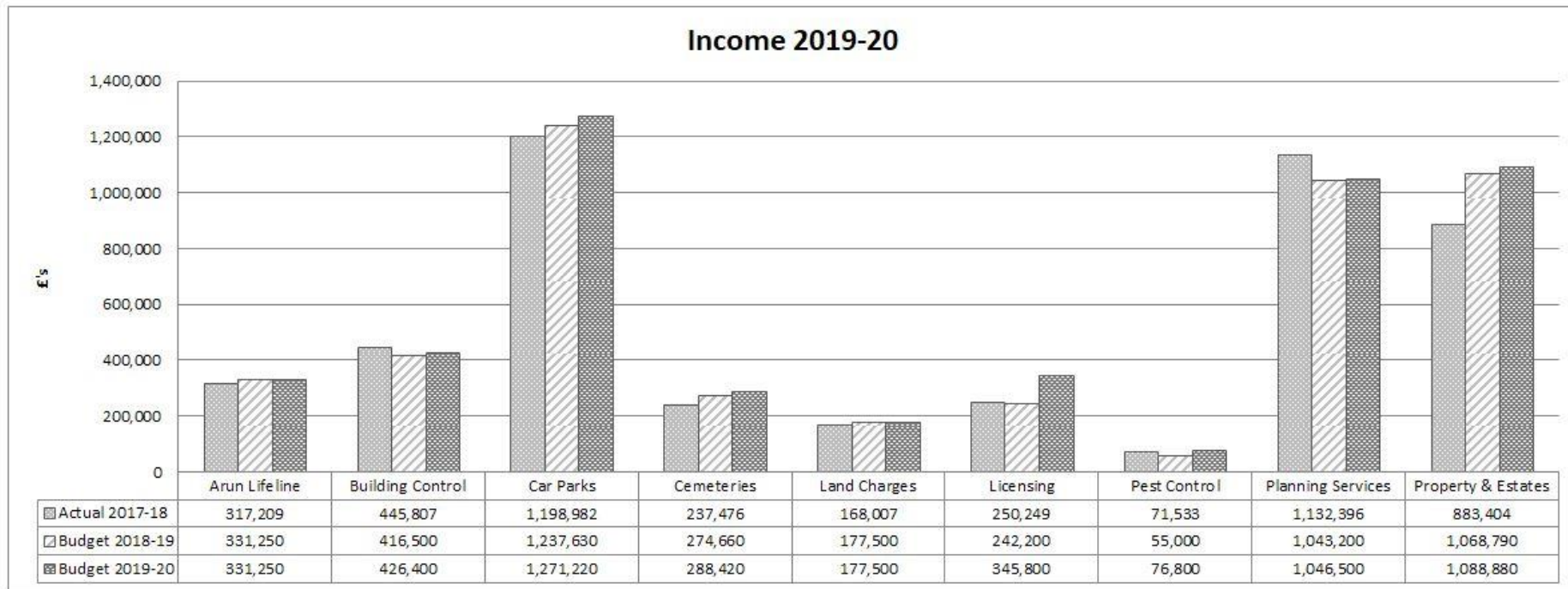
<b>General Fund Budget 2019/20</b>	<b>Changes +/- &gt; £ 100k</b>	<b>£`000</b>
Pay award (2%)		247
Increments		102
Other Employee changes including new posts		251
Major Contracts inflation (including property growth)		192
Reduction in Recycling Credits		131
District Election (net)		105
Leisure Contract increased income		(285)
Housing Benefit net		(107)
Increase in income		(206)
Interest and Investment Income		(134)
Fall out of 2018/19 Contingency Items		(2,682)
Contingency Items 2019/20		383
Reduction in Pension Reserve Contribution		432
Contribution to Pavilion Park		(300)
Contribution to Business Rates Reserve		1,138
Capital expenditure financed from revenue fall out of 2018/19 programme		(1,310)
Capital expenditure financed from revenue 2019/20 programme		2,020
Decrease in Non-Ringfenced Government Grants		514
Council Tax Income increase (including Collection Fund Surplus)		(444)
Other changes +/-<£100k		(47)
<b>Net change in budgeted reserve movement</b>		<b>0</b>

- 4.5 In addition to the 2% pay award of £247k, the establishment has increased significantly due to additional posts that are predominantly funded from additional income. This could result in additional pressure if income levels drop unexpectedly.
- 4.6 Major contracts are anticipated to increase by £192k (comprised of £162k inflation and £30k due to increase in the number of properties).
- 4.7 The budget for recycling credits has been reduced by £131k following the termination of the current agreement (Memorandum of Understanding) by West Sussex County Council. This will result in a reduced payment for 2019/20 and the MoU will not continue after 2019/20 placing a further £850k of income at considerable risk from 2020/21, which will place further significant strain on the Council's budget.
- 4.8 The budget for 2019/20 contains £175k for the District Elections in May 2019 (£105k net after shared costs that will be recharged to Parishes and Town Councils).

- 4.9 The net contribution from the Leisure Management Contract has increased by (£285k), this includes an additional increase in relation to compensation for the loss of Sportsdome whilst the Wave was under construction.
- 4.10 Housing Benefit payments and case load began to fall in the last quarter of 2017/18, largely due to the introduction of Universal Credit and the situation has continued during 2018/19. The budget for Rent Allowance payments has been reduced to £34.750m from £41.300m (£40.115m outturn 2017/18). Resulting in a (£125k) favourable variation allowing for Housing Benefit subsidy received. The net effect of Housing Benefit payments after the receipt of government subsidy is extremely difficult to predict as it is a demand led service and subsidy (and administration grant) is dependant on caseload, changing economic conditions and the level of subsidy provided. This has also been reflected in the reduction in Housing Benefit Administration grant that is received from the DWP (see 2.9 above).
- 4.11 The proposed budget for 2019/20 includes a £1.138m contribution to the Business Rates Reserve, which is required to partially mitigate the loss in grant income anticipated from the Business Rate reset in 2020/21 (see 4.2 above).
- 4.12 The budget also includes a £885k contribution from the Council's pension reserve (£1.317m previous year) which will be exhausted in 2019/20 (reduction of £432k).
- 4.13 The Contingencies and Special Items budget is assessed each year as a provision for known possible service changes that have not been sufficiently developed to fully cost into the budget. These budgets totalling £383k will be vired to service during 2019/20, made available as corporate underspend or returned to balances if not required. The significant reduction from 2018/19 to 2019/20 is mainly due to the fall out of the budgeted one off revenue contribution of £1.558m to the Littlehampton Wave in 2018/19.
- 4.14 Arun is in receipt of additional Government funding through the Flexible Homelessness Support Grant and this funding will be used to prepare for the new duties imposed by the Homelessness Reduction Act 2017 and to enhance the Council's homelessness prevention service. The grant is £507k for 2019/20 (an increase of £157k from 2018/19). The future of the grant is uncertain beyond 2019/20.
- 4.15 The increase in investment income is based on current investment levels plus a quarter of a percent increase in interest rates during 2019/20.
- 4.16 Income from fees, charges and rents are included within net cost of service. In total this amounts to overall financing of £5.05m (£4.84m 2018/19), an increase of (£206k). It should be noted that a significant proportion of the increase is due to increased licensing obligations which is carried out on a cost recovery basis and required the establishment to be increased by 2 additional posts. Income is a key risk area to the budget as it is predominantly externally influenced, without a direct link to service cost and each source is unique. It is anticipated that all discretionary fees and charges will be increased by at least the rate of inflation unless there is good reason not to in order for the Council to become more self-sufficient.

The graph below shows income by source and value, and demonstrates trend. The income estimates included in 2019/20 appear robust.





## 5.0 Earmarked Reserves

Earmarked Reserves are amounts of money specifically identified for operational purposes and held alongside the General Fund for drawdown as required. The total value of earmarked reserves at the end of 2017/18 financial year was £18.460m (£14.781m previous year), with approved in-year virements of £3.712m during 2018/19. The carry forward balance into 2019/20 will therefore be a minimum of £14.748m, depending upon the amount of budget variation during 2018/19. Budget expenditure relating to these reserves is isolated from the cost of service for General Fund financing purposes. Earmarked reserves are drawn down into the budget as required through the virement approval process.

## 6.0 Risk analysis

- 6.1 Corporate and Operational risk registers have been reviewed for financial implications as part of the budget process on the criteria of probability of occurrence and materiality of impact upon balances.
- 6.2 Inflation (CPI 2.2% November 2018) and national pay awards will provide further strain on the Council's budgets.
- 6.3 The level of New Homes Bonus (NHB) has been relatively buoyant but this could easily change if the level of house building tailed off in the District and this is closely monitored on a monthly basis.
- 6.4 The future of whether the NHB is continuing is uncertain, and if it does what form it will take and this includes the level of the deadweight adjustment increasing the risk of less grant funding being available to the Council.
- 6.5 The reset of the retained business rates baseline is proposed in 2020/21. This could effectively wipe out all or a proportion of the past gains through growth, built up since the inception of the scheme. The significant adverse effect of a potential full baseline reset is mentioned in 2.5 above.
- 6.6 No further significant risks have been identified relating to 2019/20. However, some lesser risks are inherent within the overall budget. These are discussed below.
- 6.7 Income: the budget includes £5.05m from fees, charges and rents; these have been set on the basis of achievement of the level of predicted income and previous outturn, including known changes in environment. A potential risk could be a poor summer resulting in lower car park income. A review of income has been undertaken and it is considered to be achievable.
- 6.8 The vacancy management factor continues to be set at £450k, which equates to 3.5% of the total establishment budget of £12.7m for 2019/20.

- 6.9 The Homelessness Reduction Act, in addition to a general increase in homelessness, has had a significant impact on nightly paid accommodation in 2018/19. A supplementary estimate of £650k (net expenditure) was requested during the year to meet the increase in demand for the service. The gross budget for nightly paid accommodation has not been increased from the 2018/19 level and the budget reflects the improved recovery levels evident during 2018/19. This represents a risk if the initiatives that have been implemented during 2018/19 are not effective or demand continues to stay at or exceed current levels.
- 6.10 The outcome of the proposal by WSCC Health and Adult Social Care Committee (HASC) to cut Housing related Support to the voluntary sector will result in the loss of an essential safety net for the most vulnerable people dependant on Housing Related Support. This includes those at risk of becoming homeless; the homeless; and rough sleeping. The objective of Housing Related Support is to get people back on track and enable them to address the barriers and issues in their lives, which are either the cause or symptom of their vulnerability and severe housing need. Reduced funding for the voluntary sector is likely to place further strain on the Council's resources.

## 7.0 Housing Revenue Account Budget

- 7.1 A summary of the Housing Revenue Account (HRA) budget, including Major Repairs Reserve, is shown at Appendix 2.
- 7.2 In September 2017 the Council approved the priorities of the new HRA Business Plan and these priorities have been incorporated into the budget now under consideration. One of the key priorities was an acquisition/new build programme for the delivery of 250 new homes over the ten year life of the plan, and the HRA capital budget includes £5m for each year from 2018/19 to 2020/21 for the first stage of this programme. To allow the necessary amount of flexibility in terms of planning the programme the full £15m was approved with the 2018/19 budget. However there will need to be a continuous assessment of a) the availability of "1 for 1" capital receipts and b) the affordability of Arun's contribution (Arun is required to match every £30 of "1 for 1" receipts with £70 of its own funding.)
- 7.3 In the light of the information obtained from the recent stock condition survey significant additional resources have been allocated for repairs and improvements. The enhanced programme is affordable for 2019/20 but the Housing repairs budget for 2020/21 onwards is indicative and will required to be reviewed in light of slippage and affordability. The enhanced programme will need to be carefully monitored to ensure that it can be delivered within the required timescale and that the HRA balance does not fall below the recommended minimum level of £2m. There may be further revisions to this programme during 2019/20 as more information about deliverability and slippage becomes available.

7.4 Another key feature of the 2019/20 budget is a 1% rent reduction in line with the provisions of the Welfare Reform and Work Act. This is the last of the statutory annual 1% rent reductions and the Government will issue new guidance relating to changes in rent levels from April 2020. In spite of the 1% rent reduction total rent income shows an increase from 2018/19 due to 2019/20 being a 53 week rent year.

## 8.0 Capital, Asset Management and other projects Budget

8.1 A summary of the Capital, Asset Management and other projects budget is shown at Appendix 3.

This is the first year that the Council has been asked to prepare a 3 year capital programme. Full council will be asked to approve the capital strategy on 19<sup>th</sup> March 2019 (after consideration by Audit and Governance Committee on 14<sup>th</sup> February 2019). The capital strategy forms the policy framework for capital investment decision over the next three years informing the detailed annual capital budgets over this period. The strategy aims to balance capital expenditure needs and expectations with the scarcity of available resources

8.2 The new capital programme for 2019/20, together with the proposed method of financing, is set out in the table below. The programme includes the third stage of the major investment programme approved by Cabinet at its October 2016 meeting.

<b>2019/20 Capital Programme</b>	
<b>General Fund:</b>	<b>£'000</b>
New Investment Programme	1,220
Asset Management	800
Disabled Facilities Grants	1,500
<b>Total General Fund</b>	<b>3,520</b>
<b>Housing Revenue Account:</b>	
Improvements (including Kitchen & Bathroom replacement programme)	5,423
<b>Total Housing Revenue Account</b>	<b>5,423</b>
<b>Total Programme</b>	<b>8,943</b>
<b>Financed by:</b>	
Capital Grants	1,500
Charge to General Fund (RCCO)	2,020
Charge to Housing Revenue Account	5,423
<b>Total Financing</b>	<b>8,943</b>

- 8.3 The most significant capital scheme for the General Fund is the £3.090m budget for Pavilion Park (Linear Park in 2018/19 budget) on the Hothamton/ sunken garden site in Bognor Regis. A significant piece of new public realm, incorporating replacement car parking spaces, some retail and other outdoor uses, with a residential development at the western side of the site with some retail on the ground floor. The final scheme design, following significant stakeholder consultation, will be worked on leading to planning permission in 2019/20 and construction commencing in 2020/21. The capital element of the scheme is unfinanced and will be funded from a variety of sources including Capital Receipts, Capital Grants, Revenue Finance and Prudential Borrowing. The actual financing will be determined by the nature of the expenditure incurred (capital or revenue) and the availability of the various funding sources. The Council will have to commit itself to closing the funding gap through the use of any one-off income/savings with the remainder financed through prudential borrowing. The council's policy is to minimise the borrowing as it impacts on the revenue account and would require additional savings in future years.
- 8.4 The capital budget includes £250k for the relocation of the Keystone Centre (Eldon Way, Wick, Littlehampton). The Council agreed, in principle, to make the contribution (C/022/121218) and to provide the land opposite the existing Keystone Centre. The project will be delivered in partnership, led by Littlehampton Town Council who have agreed to take on the responsibility for running the new centre. Wick is one of the most deprived wards in the district and this provides an excellent opportunity to improve the youth facilities in the area. When more details become available, a further report will be presented to cabinet to approve the use of around £250k of s106 developer contribution towards improvements at the Keystone Centre/ community facilities in Littlehampton. Following the completion of the new youth facility the land will be available to deliver housing.
- 8.5 The new investment programme for 2019/20 includes the final phase 5 of the investment programme in Public Toilets and Play areas. The remainder of the budget has been allocated to essential IT investment/replacement. The new investment programme is summarised below:

<b>2019/20 New Investment Programme</b>			
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Public Toilets (phase 5 of 5)	<b>200</b>		
Play Area Investment (phase 5 of 5)	<b>100</b>		
Keystone Centre (CAB Nov 18)	<b>250</b>		
Firewalls	<b>65</b>		
Mimesweeper	<b>25</b>		
Secure file transfer system/Office Upgrade/Internet Usage Monitor/P	<b>80</b>		
Digital Strategy (Eforms & Middleware)	<b>200</b>		
Pavilion Park	<b>300</b>	2,790	
SAN		350	
VMWare DR servers (x6) & Production servers (x9)		80	
Cisco Nexus 10Gb switches		35	
Civic Centre wireless network		50	
Log Management System		30	
Cisco edge switches			50
NetVault Back-up solution			70
Future Schemes			880
<b>Total</b>	<b>1,220</b>	<b>3,335</b>	<b>1,000</b>

## 9.0 Capital Receipts

- 9.1 Capital receipts are an important source of funding for the Council's capital programme. There are two categories of capital receipts: "1 for 1 replacement" receipts and general receipts. "1 for 1 replacement" receipts are those accrued under the terms of Arun's agreement with the Government to retain the additional receipts generated by the relaxation of the Right to Buy discount rules. Under the terms of this agreement these receipts can only be used for the provision of new social housing and Arun must match every £30 of receipts used with £70 of its own funding. A further condition of the agreement is that receipts must be spent within three years, failing which they must be returned to the Government plus interest at 4% above base rate. There are very few restrictions relating to the use of general receipts. On the whole these can be used for any capital purpose and there are no time constraints relating to their use.
- 9.2 As at 31 March 2018 the Council's available capital receipts totalled £4.957m (previous year £13.197m), comprising £3.028 "1 for 1 replacement" receipts (£2.846m) and £1.929m general receipts. These receipts, together with any new receipts accruing during 2018/19 and 2019/20 (net of amounts paid to the Government under pooling), will be used to support the Council's capital programme. The "1 for 1 replacement" receipts will be used towards funding the HRA acquisition/new build programme, whereas general capital receipts will be applied primarily towards funding the new park in Bognor Regis (Pavilion).

## 10.0 Conclusion

10.1 The General Fund revenue budget and Capital budgets are set robustly within the medium term financial strategy.

## 11.0 Recommendations:

11.1 Cabinet is requested to note that the Group Head of Corporate Support, in consultation with the Deputy Leader of the Council and Cabinet Member for Corporate Support, has approved a Council Tax base of 61,281 for 2019/20.

11.2 Cabinet is requested to recommend to Full Council that:

- i. The General Fund Revenue budget as set out in **Appendix 1** is approved.
- ii. Arun's band D council tax for 2019/20 is set at £181.62, an increase of 2.96%.
- iii. Arun's Council Tax Requirement for 2019/20, based on a Band D Council Tax of £181.62, is set at £11,129,855 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements.
- iv. The HRA budget as set out in **Appendix 2** is approved.
- v. The HRA rents for 2019/20 are set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Act.
- vi. HRA garage rents are increased by 5% to give a standard charge of £11.72 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income.
- vii. The Capital budget as set out in **Appendix 3** is approved.

## Appendix 1

## General Fund Revenue Budget Summary

Actual 2017-18 £'000	Description	Budget 2018-19 £'000	Budget 2019-20 £'000
<b>Cost of Service</b>			
1,181	Community Wellbeing	229	(45)
224	Corporate Support - Direct	244	352
366	Economy	337	316
2,879	Neighbourhood Services	4,821	5,138
669	Planning	752	798
2,233	Residential Services	3,191	2,989
799	Technical Services	337	424
8,565	Management & Support Services	7,937	8,278
0	Vacancy Management	(450)	(450)
(1,436)	Recharges to Housing Revenue Account	(1,304)	(1,369)
<b>15,480</b>	<b>Total Cost of Service:</b>	<b>16,094</b>	<b>16,431</b>
<b>Corporate Cost</b>			
4,061	Parish Precepts	4,271	4,500
145	Other precepts and levies	167	208
(611)	Interest & investment income	(434)	(568)
0	Contingencies / miscellaneous	2,682	383
3,679	Contribution to/(from) earmarked reserves	(1,352)	(47)
450	Capital expenditure finance from revenue	1,310	2,020
1,812	Pension deficit contributions	1,554	1,564
<b>9,536</b>	<b>Total Corporate Cost:</b>	<b>8,198</b>	<b>8,060</b>
<b>25,016</b>	<b>Total Net Budget Requirement</b>	<b>24,292</b>	<b>24,491</b>
<b>Financed By</b>			
(5,991)	Retained Business Rates	(5,569)	(5,357)
(750)	Revenue Support Grant	(194)	0
(3,677)	New Homes Bonus	(2,733)	(2,664)
(1,284)	Other non ringfenced grants	(793)	(794)
(10,290)	Council Tax Income - Arun Excluding Parishes	(10,655)	(11,130)
(3,954)	Council Tax Income - Town & Parish Councils	(4,271)	(4,500)
(172)	Collection Fund deficit/(surplus)	(77)	(46)
<b>(26,118)</b>	<b>Total External Finance:</b>	<b>(24,292)</b>	<b>(24,491)</b>
<b>(1,102)</b>	<b>Transfer (to) / from General Fund Reserve</b>	<b>0</b>	<b>0</b>



## Appendix 2

## Housing Revenue Account Budget Summary

<b>Actual 2017-18 £'000</b>	<b>Description</b>	<b>Budget 2018-19 £'000</b>	<b>Budget 2019-20 £'000</b>
	<b>Expenditure</b>		
4,660	Supervision and management	5,058	5,119
4,485	Repairs and maintenance	4,516	4,150
2,861	Financing of capital expenditure	3,047	5,423
5,140	Net loan charges	5,140	5,140
<b>17,146</b>	<b>Total Expenditure:</b>	<b>17,761</b>	<b>19,832</b>
	<b>Income</b>		
(15,915)	Rents (dwellings, garages, hostels, other property)	(15,699)	(15,889)
(639)	Charges for services and facilities	(766)	(796)
(50)	Interest on balance	(48)	(30)
<b>(16,604)</b>	<b>Total Income:</b>	<b>(16,513)</b>	<b>(16,715)</b>
<b>542</b>	<b>HRA (surplus) / deficit</b>	<b>1,248</b>	<b>3,117</b>
(8,505)	Balance brought forward	(6,990)	(6,075)
<b>(7,963)</b>	<b>Balance carried forward</b>	<b>(5,742)</b>	<b>(2,958)</b>

## Appendix 3

## Capital, Asset Management and other projects Budget Summary

<b>Actual 2017-18 £'000</b>	<b>Description</b>	<b>Budget 2018-19 £'000</b>	<b>Budget 2019-20 £'000</b>
<b>Capital expenditure by portfolio</b>			
6,767	Community Wellbeing	0	0
230	Corporate Support	196	370
87	Neighbourhood Services	100	350
8,150	Residential Services	18,147	5,423
3,769	Technical	1,914	2,500
0	Economy	0	300
<b>19,003</b>	<b>Total Expenditure:</b>	<b>20,357</b>	<b>8,943</b>
<b>Summary</b>			
12,621	General Fund	2,310	3,520
6,382	Housing Revenue Account	18,047	5,423
<b>19,003</b>	<b>Total Expenditure</b>	<b>20,357</b>	<b>8,943</b>

**AGENDA ITEM NO. 9****ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET  
ON 11 FEBRUARY 2019****PART A : REPORT**

<p><b>SUBJECT:</b> Judicial Review at Land south of New Road (A259) and East of Brook Lane, Angmering (planning application reference A/23/15/OUT).</p>
---

<p><b>REPORT AUTHOR:</b> Claire Potts, Strategic Development Team Leader  <b>DATE:</b> 11 December 2018  <b>EXTN:</b> x 37698  <b>PORTFOLIO AREA:</b> Planning</p>
--

**EXECUTIVE SUMMARY:**

An application for Judicial Review (JR) of the decision by Arun District Council to grant planning application for a retail unit and public house at Land south of New Road (A259) & East of Brook Lane, Angmering (reference A/23/15/OUT) has been filed by Store Property Investments Limited. If the application for the JR to be heard is allowed and the Council considers that it is expedient to defend the JR, legal support will be required. Should the Claimant be successful the Council will automatically be liable to pay their costs associated with the JR.

This report seeks approval to a supplementary estimate of up to £150,000 to cover costs of defending this JR.

**RECOMMENDATIONS:**

That Cabinet recommend to Full Council the approval of a supplementary estimate of £150,000 for the costs associated with the JR in respect of planning application A/23/15/OUT. This includes Counsel costs to defend the Council's position and an estimate of potential costs that the Council would be required to pay as a result of the Claimant being successful in their JR claim.

The supplementary estimate equates to a Band D Council Tax of £2.48

**1. BACKGROUND:**

Development Control Committee resolved on the 3 October 2018 to grant permission A/23/15/OUT (for a retail unit (full permission) with associated access and a public house (outline permission)) subject to a S106 Agreement and the decision on the application was issued under delegated authority (given by the Committee) on the 17 October 2018.

The application was previously subject to a successful claim for Judicial Review and the earlier approval (granted on the 27 June 2016) was quashed by Consent Order. This resulted in the application being re-considered.

The application was reported to Development Control Committee on the 3 October 2018 with an officer recommendation of refusal on the basis that the proposal failed to meet the sequential test requirements for convenience retail proposals in an out of centre location in accordance with national policy and the Arun Local Plan, and the absence of a retail justification for a countryside location, contrary to the Arun Local Plan and Angmering Neighbourhood Plan.

In granting planning permission, Members gave greater weight to the socio-economic benefits of the proposals relative to the scheme's conflict with the sequential test; and the impact on the character of the area which, although outside the built up area boundary, would have a more limited impact on the character of the countryside due to the commitments on adjoining sites and the character of the area surrounding the site.

Following the issuing of the decision, a pre-action letter was received on the 12 November 2018 from Store Properties Investments Limited seeking to challenge the grant of planning permission for the proposed development. The challenge is on the basis that the grant of permission is legally flawed for the following reasons:

- 1) Failure to apply properly or at all, national planning policy and guidance in relation to the sequential test and absence of reasons for taking a decision contrary to the development plan;
- 2) Failure to give reasons for reaching the decision
- 3) Failure to take into account material planning considerations
- 4) Absence of proper authority to issue the planning permission
- 5) Procedural impropriety – failure to provide a fair hearing

The Council have responded to the pre-action letter. Subsequently, Store Properties submitted an application for permission for Judicial Review which was received by Arun District Council on the 4 December 2018. The Council have filed a response setting out the summary grounds for contesting the claim, which can be considered by the Court when considering whether to grant the Applicant permission to apply for JR. The Court is likely to decide on this in February 2019.

It is important to note that, at this stage, there is no formal JR to defend. The Claimants have submitted a request to be heard by the courts and ADC has provided a response to this. A decision on whether the courts consider that there are adequate grounds to challenge (and proceed to a hearing) will be made in February 2019. The courts may decide to reject this request.

If the Claimant (Store Properties) is unsuccessful in their written application for permission to apply for JR then the Council will not have to pay their costs and the Council's costs will be limited to in-house legal costs, which will be limited. The Council will seek to recover their costs from the Claimant.

If the Claimant's written application for leave to apply for JR is refused they may renew the application by way of an oral hearing, which will lead to each party incurring the costs relating to the instruction of Counsel for the hearing. While it is difficult to give an exact figure for this, as the Council is not aware of the level of Counsel that the Claimant would instruct, it is possible that the figure could be £5,000.00, which the Council would have to pay should the Claimant be successful. Again, if the Claimant is unsuccessful the Council will seek to recover its costs.

If the Claimant is successful and obtains leave to apply for JR at a hearing, the Council will need to have an agreed budget as more substantial costs will begin to accrue at this point. Further, should the Claimant be successful in their full application for JR, the Council would automatically be liable to pay all of their costs associated with the action. As the Applicant is a company it has not chosen to suggest that this matter is a matter in which the costs they are liable to pay are limited or that the costs the Council is liable to pay, if the Claimant was to be successful. Therefore, the Council needs to plan on the basis that the Claimant's costs could be in the region of £80,000. Conversely, if the Claimant fails, they would automatically have to cover the Council's costs.

The Council will be required to be legally represented by Counsel. Based on previous JR's this is likely to be approximately £70,000 for representation and for the work involved in the preparation and attendance at JR hearings. However, the final costs will be based on a number of factors which are unknown at present. Should the costs be higher, then a further supplementary estimate would be required and further approval sought.

The Department's miscellaneous budget is normally used for legal costs. However, this budget is very limited and JR costs at this scale could not be accommodated through this budget in this financial year.

## 2. PROPOSAL(S):

To agree a supplementary estimate of £150,000 for counsel associated with defending the JR. This includes the eventuality that the Council lose the JR and is liable to pay the Claimants costs.

## 2. OPTIONS:

There are a number of options at each stage in the JR process, which will determine the costs incurred. The options will be reviewed at each stage based on legal advice to determine the best course of action.

## 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
<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:</b>	<b>YES</b>	<b>NO</b>

<b>(Explain in more detail at 6 below)</b>		
Financial	<b>x</b>	
Legal	<b>x</b>	
Human Rights/Equality Impact Assessment		<b>x</b>
Community Safety including Section 17 of Crime & Disorder Act		<b>x</b>
Sustainability		<b>x</b>
Asset Management/Property/Land		<b>x</b>
Technology		<b>x</b>
Other (please explain)		<b>x</b>
<b>6. IMPLICATIONS:</b>		
There are financial implications for instructing legal for the JR defence.		

**7. REASON FOR THE DECISION:**

In order to defend a JR claim, legal representation is required and costs may be accrued if unsuccessful.

**8. EFFECTIVE DATE OF THE DECISION: 20 February 2019****9. BACKGROUND PAPERS:**

Development Control Committee Agenda, Additional Update and Minutes 9 May 2018

Development Control Committee Agenda, Additional Update and Minutes 3 October 2018

<https://www.arun.gov.uk/development-control-committee>

## Joint Western Arun Area Committee

31 October 2018 – At a meeting of the Committee at 7.00 pm held at Main Hall, The Regis School, Westloats Lane, Bognor Regis, PO21 5LH.

Present:

Mr Edwards (Chairman) (Bersted;), Ms Flynn (Felpham;), Mrs Hall (Nyetimber;), Mr Patel (Bognor Regis West & Aldwick;), Mrs Pendleton (Middleton;), Mr Dingemans, Mrs Richardson, Mr Knight, Mr Cunard, Mrs Wild, Mr Pickthall and Clark

Apologies were received from Mr Whittington (Fontwell;), Mr Bence, Mrs Bence, Mr Brown, Mr Charles and Mr English

---

### 14. **Welcome**

14.1 The Chairman welcomed members of the public to the meeting and asked Committee Member and Officers to introduce themselves.

### 15. **Declarations of Interest**

15.1 There were no Declarations of Interest from members present.

### 16. **Presentation: Refill Scheme**

16.1 The Minutes of the last meeting of the Joint Western Arun Area Committee held on 13 June 2018 were approved as a correct record and signed by the Chairman.

### 17. **Urgent Matters**

17.1 There were none.

### 18. **Progress Statement**

18.1 The Committee noted the progress statement.

### 19. **Presentation: Your Energy Sussex**

19.1 The presentation was deferred to the next meeting.

### 20. **Presentation: Refill Scheme**

20.1 The Committee received a presentation from Catherine Cannon, Team Leader for Sustainability, on the West Sussex Refill Scheme.

20.2 The presentation included details on the following:

- The aims of the scheme were to promote healthy living of residents by promoting more water drinking and reducing pollution through the re-use of water bottles.
- The scheme looked to have water refill points across the County in community building and private businesses.
- The project could potentially have a positive impact on the economy by increasing footfall for Local Businesses.

20.3 The Committee were asked to support the project by promoting it in local communities. The Committee gave thanks for the presentation.

## 21. **'Talk With Us' - Public Question Time (15 Minutes)**

21.1 The Chairman invited Members of the public to ask questions on matters that did not appear on the Agenda. In response to the questions the following was advised:

22.2 JWAC could be used as a forum for all tiers of government to work together to provide services for young people including youth clubs and youth projects. It was advised that the Integrated Prevention and Earliest Help (IPEH) team could be invited to a future meeting of JWAAC to provide information on services available to residents.

22.3 A resident asked if a manhole cover in Old Rectory Road could be repaired as it had been damaged for a lengthy period of time. Ben Whiffin advised he would investigate whose responsibility the man hole cover was and respond accordingly.

22.4 A concerned resident advised that there was no street lighting on footpaths in Old Rectory Gardens, which was causing a potential danger to local residents. It was asked if something could be done to rectify this. Jackie Follis, head of Policy Arun District Council, advised she would investigate and provide a written response to the resident directly.

22.5 A resident of Bersted Park and Willows Edge raised concerns over issues of dangerous parking on the main road in the area. It was advised that this was an ongoing issue and requested that a TRO be investigate to alleviated the potential danger to the area. The Highways Manager advised that the road in question was at the time an unadopted highway. It was also advised that in order to meet the national standard the road needed recovery works. Once this had been completed a TRO including Double Yellow Lines could be implemented.

## 22. **Community Policing Update**

22.1 The Chairman invited acting Inspector Danny West to the meeting who provided an update on neighbourhood policing in the JWAAC area. The Committee were invited to raise comments, concerns and questions. Following these the following was advised:

22.2 There had been an increase recruitment for the Prevention team across West Sussex, allowing for better public service delivery with more



work being completed.

22.3 Chichester Custody Centre would be closing, however a review of the impact showed that this would cause very limited impact to service provision in the locality.

22.4 Due to increase in service levels a total of 26 interventions had taken place in the JWAC area over a period of 16 days in December.

22.5 The following were known issues in the area with key focus from the service provider:

- County wide drug dealing and 'cuckooing'
- Anti-social behaviour in town centre
- Aggressive begging in town centres.

22.6 The crime statistics provided to the committee showed several general trends including:

- Overall reduction in anti social behaviour
- Reduction in domestic burglary
- Reduction in grand theft auto
- Overall increase in violent crime, potentially related to an increase in the reporting of domestic violence/abuse.

22.7 In response to questions raised by members of the committee the following was advised:

- Increases in car theft to localities was not directly explainable, however this could be linked to valuable items being left on display.
- An increase in domestic abuse/violence statistics is believed to be because reporting is higher, not because there are more incidents

## 23. **Community Initiative Funding**

23.1 The Committee considered a report by the Director of Law and Assurance which sought a decision from the County Council Members of the Committee on applications received under the Community Initiative Funding Scheme.

23.2 The Committee discussed each project separately on its respective merits for which funding was sought. The committee indicative support or otherwise for each application.

23.3 It was RESOLVED that the County Councillors of the Committee allocated Community Initiative Funding as follows:

263/JWAAC – Sussex Cubs for Young People Ltd, CREATE a positive future in Bognor, up to £3,000 – Towards the cost of youth work training courses for adult volunteers.

And

Deferred the following application as it had not begun fundraising and the Committee Members required more information regarding the project prior to making a decision:

262/JWAAC – HFT Sussex: Inclusive Music festival.

#### 24. **Highways and Transport Subgroup**

24.1 The Chairman referred Members to the Minutes of the last meeting of the Highways and Transport subgroup (copy attached to signed minutes).

24.2 The Committee were asked to note the recommendations included in the Minutes, including a recommendation on Prioritisation of Traffic Regulation Orders and Felpham, Summerly Lane Mini Roundabout and consider these recommendations under the appropriate agenda item.

24.3 The Committee noted the minutes.

#### 25. **Community Highways Schemes**

25.1 The Committee considered a written report from the Director of Highways and Transport and were asked to note the update included.

25.2 The Committee thanked officers for the informative update and were happy to note the content.

#### 26. **Prioritisation of Traffic Regulation Orders**

26.1 The Committee considered the written report from the Director of Highways and Transport and Head of Highways Operations and the Traffic Regulation Orders set out in appendix A of the report.

26.2 In response to questions from the Committee the Highways Manager gave background as to how each Traffic Regulation Order was scored and how points were accredited.

26.2 it was RESOLVED that the County Council Members of the Joint Western Arun Area Committee agreed to progress the highest two approved Traffic Regulation Orders which should be completed as a priority:

- Nyewood Lane, Bognor Regis and
- Elmer Road, Middleton-on-Sea,

#### 27. **Felpham, Summerley Lane Mini Roundabout and relocation of controlled crossing - objections arising from advertisement of the traffic regulation order (TRO)**

27.1 The Committee considered a written report from the Executive Director Economy, Infrastructure & Environment and Director of Highways & Transport, and the recommendation to approve the scheme.

27.2 The Committee also considered the recommendation from the Highways and Transport Subgroup to endorse the scheme.

27.3 In response to questions from Members it was advised that, if approved, the project would be implemented as early as the 2019 Financial Year.

27.4 Some concern was raised over the necessity of the Traffic Regulation Order, however the majority of Members were in favour of the scheme in the interest of safety of the local residents and road users.

27.5 It was therefore RESOLVED that the County Council Members of the Committee, having considered the responses to the formal consultation on the Felpham, Summerley Lane Roundabout Traffic Regulation Order, authorise the Director of Law and Assurance to make the order as advertised and the Director of Highways and Transport to install the scheme.

## 28. **Authority School Governors**

28.1 The Committee noted the vacancies for Local Authority School Governors as set out in appendix B of the report.

## 29. **Items raised by Parish and Town Councils**

29.1 The Chairman invited Members of the Parish and Town Councils to ask questions of Officers Present.

29.2 In response to questions it was advised that the building and installation of new pedestrian pavements could be achieved through the use of Section 106 funding and could be implemented as part of Planning Conditions associated with new developments.

## 30. **Future Agenda Items**

30.1 The Chairman reminded Members of the Committee to forward any items for future meetings to Democratic Services if they wished for them to be discussed.

## 31. **Date of Next Meeting**

31.1 The Chairman confirmed that the next meeting of the Committee was scheduled for the 6 February 2019 at 7pm at the Regis School in Bognor Regis.

Chairman

The meeting closed at 8.25 pm