

Cabinet

1 July 2019



Time and venue:

2.30 pm in the Ditchling Room at Southover House, Southover Road, Lewes, BN7 1AB

Membership:

**Councillor Isabelle Linington (Chair); Councillors Joe Miller (Deputy-Chair)
Liz Boorman, Phil Davis, Tom Jones, Jim Lord and Ron Maskell**

Quorum: 4

Published: Friday, 21 June 2019

Agenda

1 Minutes of the meeting held on 10 June 2019 (Pages 5 - 8)

2 Apologies for absence

3 Declarations of interest

Disclosure by councillors of personal interests in matters on the agenda, the nature of any interest and whether the councillor regards the interest as prejudicial under the terms of the Code of Conduct.

4 Urgent items

Items not on the agenda which the Chair of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances as defined in Section 100B(4)(b) of the Local Government Act 1972. A supplementary report will be circulated at the meeting to update the main reports with any late information.

5 Public question time

To deal with any questions received from members of the public in accordance with Council Procedure Rule 11 (if any).

6 Written question from councillors

To deal with written questions which councillors may wish to put to the Chair of the Cabinet in accordance with Council Procedure Rule 12 (if any).

7 Matters referred to the Cabinet

Matters referred to the Cabinet (whether by the Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in part 4 of the Council's Constitution.

None.

8 Portfolio progress and performance report quarter 4 - 2018-2019 (Pages 9 - 38)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Phil Davis

9 Finance update - performance quarter 4 - 2018-2019

Report of Chief Finance Officer **(to follow)**
Lead Cabinet member: Councillor Phil Davis

10 Medium term financial strategy (Pages 39 - 62)

Report of Chief Finance Officer
Lead Cabinet member: Councillor Phil Davis

11 Financial procedure rules (Pages 63 - 104)

Report of Chief Finance Officer
Lead Cabinet member: Councillor Phil Davis

12 Update on tourism activities for Lewes District (Pages 105 - 114)

Report of Director of Tourism and Enterprise
Lead Cabinet member: Councillor Liz Boorman

13 Recommendations from Climate Action Group (Pages 115 - 136)

Report of Director of Service Delivery
Lead Cabinet member: Councillor Isabelle Linington

14 Housing finance for short term lettings development (Pages 137 - 144)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Ron Maskell

15 Lewes District Local Plan Part 2 - Publication of main modifications for consultation (Pages 145 - 210)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Tom Jones

16 Greater Brighton Economic Board - Admission of New Member to the Board
(Pages 211 - 242)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Joe Miller

17 Enabling the development of Community Assets - Market Tower, Lewes and 2 Fisher Street, Lewes (Pages 243 - 248)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Joe Miller

18 Exclusion of the public

The Chief Executive considers that discussion of the following items is likely to disclose exempt information as defined in Schedule 12A of the Local Government Act 1972 and may therefore need to take place in private session. The exempt information reasons are shown beneath the items listed below. Furthermore, in relation to paragraph 10 of Schedule 12A, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. (The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)

(Note: Exempt papers are printed on pink paper).

19 Waiver of Contract Procedure Rules - 3G All-Weather Pitch Surface Replacement, Downs Leisure Centre (Pages 249 - 252)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Phil Davis

Exempt information reason 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).

Information for the public

Accessibility: Please note that the venue for this meeting is wheelchair accessible and has an induction loop to help people who are hearing impaired. This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

Filming/Recording: This meeting may be filmed, recorded or broadcast by any person or organisation. Anyone wishing to film or record must notify the Chair prior to the start of the meeting. Members of the public attending the meeting are deemed to have consented to be filmed or recorded, as liability for this is not within the Council's control.

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

Information for councillors

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

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

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

Councillor right of address: A member of the Council may ask the Leader, a Cabinet Member or the Chair of a committee or sub-committee any question without notice upon an item of the report of the Cabinet or a committee or subcommittee when that item is being received or under consideration by the Council.

A member of the Council may ask the Chair of a committee or sub-committee a question on any matter in relation to which the Council has powers or duties or which affect the District and which falls within the terms of reference of that committee or subcommittee.

A member must give notice of the question to the Head of Democratic Services in writing or by electronic mail no later than close of business on the fourth working day before the meeting at which the question is to be asked.

Democratic Services

For any further queries regarding this agenda or notification of apologies please contact Democratic Services.

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Cabinet

Minutes of meeting held in Ditchling Room at Southover House, Southover Road, Lewes, BN7 1AB on 10 June 2019 at 2.30 pm

Present:

Councillor Isabelle Linington (Chair)

Councillors Joe Miller (Deputy-Chair), Liz Boorman, Phil Davis, Tom Jones and Jim Lord

Officers in attendance:

Robert Cottrill (Chief Executive), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Homira Javadi (Chief Finance Officer), Becky Cooke (Assistant Director for Human Resources and Transformation), Peter Finnis (Assistant Director for Corporate Governance), Catherine Knight (Assistant Director of Legal and Democratic Services), Jo Harper (Head of Business Planning and Performance), Beverley Lucas (Regeneration Specialist – North Street Quarter), Bryn Mabey (Customer, Communications and Engagement Lead), Millie McDevitt (Performance and Programmes Lead), Mark Reynard (Head of Legal Services), Angy Weaver (Senior Specialist Advisor - Thriving Communities) and Simon Russell (Committee and Civic Services Manager)

Also in attendance:

Councillors Johnny Denis (Chair of Scrutiny Committee), Zoe Nicholson (Leader of the Green Group), Roy Burman and Roy Clay (Chair of Devolution Committee)

Mr John Langley (Tenants' Representative) and Ms Debbie Twitchen (Tenants' Representative)

1 Minutes of the meeting held on 27 March 2019

The minutes of the meeting held on 27 March 2019 were submitted and approved and the Chair was authorised to sign them as a correct record.

2 Apologies for absence

Apologies were reported from Councillor Maskell and visiting member Councillor Gauntlett.

3 Declarations of interest

None were declared.

4 Discretionary Housing Payment (DHP) Policy 2019/2020

The Cabinet considered the report of the Director of Service Delivery asking them to review the revised Discretionary Housing Payment (DHP) Policy for Lewes District Council.

It was clarified that the Central Government allocated funding of DHP had been fully utilised in previous years. The funding allocation was 2019/20 was £209,143.

The recommendations of the Scrutiny Committee at its meeting on 7 February 2019 were appended to the report and detailed at section 4.1 of the report.

The Cabinet were unanimous in supporting the adoption of the policy, subject to the removal of bullet point 5 of section 4.1 of the policy, as recommended by the Scrutiny Committee.

In response to a question from Debbie Twitchen, Tenants' Representative in relation to which food banks were consulted through this process, it was clarified that only those that were involved with appeals for DHP had been consulted.

Resolved (Key decision):

To adopt the revised policy for Lewes District Council, subject to the removal of bullet point 5 at section 4.1 of the policy, as recommended by the Scrutiny Committee at its meeting on 7 February 2019.

Reason for decision:

To ensure that the Discretionary Housing Payment scheme is administered consistently across the District.

5 Exclusion of the public**Resolved:**

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

6 North Street Quarter - scheme delivery

The Cabinet considered the exempt report of the Director of Regeneration and Planning regarding the delivery of the North Street Quarter scheme.

Following discussions, it was agreed to add an additional resolution and this was reflected in the open summary of the decisions below.

Resolved (Key decision):

- (1) To note progress in respect of the Land Collaboration Agreement (LCA) between the two landowners - Lewes District Council and North Street Quarter (NSQ) Ltd. and programme for NSQ Ltd's appointment of a Developer.
- (2) To delegate authority to the Director of Regeneration and Planning, in consultation with the Leader of the Council, Cabinet Member for Strategic Development, Chief Finance Officer and Assistant Director – Legal & Democratic Services, to acquire various third party interests at the NSQ site.
- (3) To delegate authority to the Director of Regeneration and Planning, in consultation with the Leader of the Council, Cabinet Member for Strategic Development, Chief Finance Officer and the Assistant Director – Legal & Democratic Services to enter into a pre-emption agreement to acquire the affordable housing element of the North Street Quarter project. This acquisition would be in addition to the previous authority granted by Cabinet to acquire the Health Hub and Car Park from the scheme.
- (4) To allocate funding towards the costs of discharging the pre-commencement planning conditions for Phases 2 and 3 of the scheme.

Reasons for decisions:

To progress delivery of the strategically significant North Street Quarter (NSQ) development, to secure site assembly in respect of the scheme that been granted planning permission and to ensure that the Reserved Matters planning permission can be implemented within two years from the date of the decision.

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

The meeting ended at 2.56 pm

Councillor Isabelle Linington (Chair)

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Report to:	Cabinet
Date:	1 July 2019
Title:	Portfolio Progress and Performance Report 2018/19 - Quarter 4 (Jan - March 2019)
Report of:	Ian Fitzpatrick, Director of Regeneration and Planning
Cabinet member:	Councillor Phil Davis, Portfolio Holder
Ward(s):	All
Purpose of report:	To consider the Council's progress and performance in respect of key projects and targets for the fourth quarter of the year (Jan-March 2019) as shown in Appendix 1.
Decision type:	Non-key
Officer recommendation(s):	a) progress and performance for Quarter 4 as well as the overall performance for 2018/19 and any relevant recommendations made by the Scrutiny Committee. b) Agree the 2019/20 performance measures
Reasons for recommendations:	To enable Cabinet to consider specific aspects of the Council's progress and performance.
Contact Officer(s):	Name: Millie McDevitt Post title: Projects and Performance Lead E-mail: Millie.McDevitt@lewes-eastbourne.gov.uk Telephone number: 01273 085637 / 01323 415637

1 Introduction


- 1.1 The Council has an annual cycle for the preparation, implementation and monitoring of its business plans and budgets. This cycle enables us regularly to review the Council's work, and the targets it sets for performance, to ensure these continue to reflect customer needs and Council aspirations.
- 1.2 It is important to monitor and assess progress and performance on a regular basis, to ensure the Council continues to deliver priority outcomes and excellent services to its customers and communities.
- 1.3 This report sets out the Council's performance against its targets and projects for the fourth quarter of 2018/19 (the period running from 1st January to 31st March 2019).

2 Performance in the fourth quarter of 2018/19

- 2.1 Appendix 1 provides a high level summary of progress and performance arranged by Cabinet portfolio. The summary shows where performance and projects are 'on track/on target' and where there are areas of risk, concern or under-performance. Where performance or projects are 'off track/below target', an explanation of the management action being taken to address this is also provided.
- 2.2 Detailed project/performance tracking information is recorded in the Council's performance management information system (Pentana (formerly known as Covalent)). The system uses the following symbols to indicate the current status of projects and performance targets:

-  = Performance that is at or above target;
-  = Project is on track;
-  = Performance that is slightly below target but is within an acceptable tolerance/projects where there are issues causing significant delay or change to planned activities;
-  = Performance that is below target/projects that are not expected to be completed in time or within requirements;
-  = Project has changed or been discontinued;
-  = Data with no performance target.

3 Portfolio Progress and Performance – Quarter 4/ annual out-turn

- 3.1 **The Good News for 2018-19** –  Notable project milestones or service performance achieved include:
- a) Modular accommodation: New bungalows in Peacehaven were delivered as part of this project.
 - b)Vote 100: a series of successful high profile and well attended events took place to encourage a greater diversity of public representatives.
 - b)Co-mingled recycling: successfully completed and implemented project to bring co-mingled recycling to Lewes District.
 - d)Single-use plastics: this project successfully saw a 94% reduction in the use of single use plastics within council offices.

4. Issues

- 4.1 In Q4, areas of the Council's work which missed their targets included housing, re-lets and calls. Focussed intervention work has been taking place and there is improvement in these service areas. External pressures (such as the national housing crisis and Universal credit pressures) continue to affect the authority. Further details are available in appendix 1.

2019-20

- 4..2 Appendix 2 lists the projects and performance targets for 2019-20.

5 Financial Appraisal

- 5.1 Project and performance monitoring and reporting arrangements are contained within existing estimates. Corporate performance information should also be considered alongside the Council's financial update reports (also reported to Cabinet each quarter) as there is a clear link between performance and budgets/resources.

6. Legal Implications

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

7 Risk Management Implications

- 7.1 It is important that corporate performance is monitored regularly otherwise there is a risk that reductions in service levels, or projects falling behind schedule, are not addressed in a timely way.

8. Equality Analysis

- 8.1 The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis. The equality implications of projects that form part of the Joint Transformation Programme are addressed through separate Equality and Fairness assessments.

9. Appendices

- 9.1 Appendix 1 – Portfolio Progress and Performance Report (Quarter four 2018/19).
Appendix 2 - Projects and Performance Targets for 2019-20









10. Background Papers

[Council Plan 2016 to 2020](#)

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Appendix 1

Lewes District Council Portfolio Progress and Performance Report Quarter 4 2018-2019 (Jan to Mar 2019)

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

CPR LDC Regeneration and Business Portfolio: Portfolio Projects and Initiatives

Portfolio Projects and Initiatives



Project / Initiative	Description	Target completion	Status	Update
North Street Quarter	Regeneration of the North Street Quarter area in Lewes to provide over 400 homes; health hub; car park and new commercial space.	Q1 2021/22		<p>The landowners have continued to work to finalise and agree the Land Collaboration Agreement, and to go to the market to secure a developer for the scheme.</p> <p>Applications for the NSQ Phase 2 and 3 Reserved Matters have been submitted to SDNPA and were determined at planning committee of 11th April 2019.</p> <p>NSQL has demolished buildings on its Phase 1 land (8 – 11 Phoenix Place) which has implemented the hybrid planning permission. The remainder of the Phase 1 demolition will take place once a developer is on board.</p> <p>LDC is in the process of securing the remaining third party freehold land interests at the site.</p>
Newhaven Port Access Road (ESCC Project)	A new road that will remove port traffic from existing roads to enhance access and economic growth, as well as safeguarding existing residential areas from the impact of port traffic.	Q3 2020/21		In this quarter, construction commenced (7th January) and work is continuing on site with no change to target completion date. A Local Liaison Committee has been set up by ESCC to respond to community concerns and it met for the first time in May 2019.
Newhaven Enterprise Zone	NEZ covers 8 key sites of strategic importance with the aim of driving economic growth through the creation of up to 55,000m ² of new employment floorspace, refurbishing 15,000m ² of existing employment floorspace and creating / sustaining up to 2,000 FTE jobs over a 25-year period.	Q4 2041/42		This quarter the NEZ made progress in working with business stakeholders to map out an estate management improvement plan for two of the EZ sites: Avis Way and North Quay. The NEZ also successfully awarded £25k of grant funding to Newhaven community based organisations as part of its annual Community Fund.
Newhaven Growth Quarter	A Coastal Communities Funded bid to extend existing premises of Sussex Downs College, Sussex Community Development Association and Newhaven Enterprise Centre on Denton Island in Newhaven, as well as increasing collaboration between users of all three facilities.	Q1 2028/29		All rectification periods now complete. Project for ongoing annual monitoring only.
Newhaven Town Centre	Delivery of mixed use regeneration scheme within NEZ.	Q4 2020/21		<p>Architect appointed to help develop concept designs for Newhaven Wellbeing Hub.</p> <p>Brief and Business Case for the Wellbeing Hub aiming to be completed by February 2020.</p>

Project / Initiative	Description	Target completion	Status	Update
				<p>Clear Sustainable Futures are working towards developing an overarching economic strategy for Newhaven which will help to shape the Wellbeing Hub.</p> <p>A bid was submitted to the High Street Fund at the end of March for the sum of £525K.</p>
Seaford Health Hub formerly Downs Leisure Centre	Project to renovate the Downs Leisure Centre to better serve the community's health needs.	Q3 2020/21	✅	Plans being revisited for the site to ensure best use. Potential to include the temporary accommodation unit in Sutton Drove, to allow provision for the 4G pitch, better positioning of the health hub and additional new residential on site.
Springman House- Blue light services hub	Relocation of key emergency services to create a blue light services hub that supports delivery of the North Street Quarter.	Q3 2019/20	⚠️	Heads of terms are being discussed and further design work to be undertaken before sign off.
Set up and Energy Services Company (ESCO) for North Street Quarter (LDC)	Establishment of an ESCO to support delivery of the North Street Quarter.	Q3 2019/20	✅	<p>Following the completion of the Heat Network Delivery Unit (HNDU) Study, it is necessary to consider the two recommended options further along with assessing the feasibility of an Energy and Services Company for North Street Quarter.</p> <p>The developer to consider this as part of scheme.</p>

CPR LDC People and Performance Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives


Portfolio Projects and Initiatives

Project / Initiative	Description	Target completion	Status	Update
Joint Transformation Programme	A major programme to integrate the Eastbourne Borough Council and Lewes District Council workforces, and transform the service delivery model for both organisations. Deliver £2.7m savings while protecting services	Q4 2019/20		<p>The primary focus over the last quarter has been activity to deliver year-end activity through the new Housing Cx system. The successful implementation of the system in December has assisted this process, but the ongoing issues, which are to be expected with the implementation of a new, complex system like this, have presented a number of challenges. Officers and colleagues from Civica have worked hard to resolve these issues and, where this has not been possible within the tight timescale of year-end, contingency plans were deployed to enable the effective delivery of the service and to mitigate impacts on customers.</p> <p>In addition, the JTP Phase 3 plans have progressed well since they were launched on 9 November 2018. All services in scope have completed their consultation exercises with staff - the level of staff engagement was very high - and completed, where necessary, the internal recruitment exercises to fill vacancies within the new structure.</p> <p>The teams working on delivering the aims of the JTP continue to listen and respond to feedback. The Supporting Change Steering Group is driving this continuous improvement and the commitment is to ensure that all feedback is assessed and, where necessary, action is taken.</p> <p>The JTP tackles the same challenges and risks that all change management programmes of this scale and ambition face. Delivery of the transformation is being managed within budget and the £2.8m of savings for JTP Phases 1 and 2 have been achieved and the planned £400,000 of savings/additional income for Phase 3 is on target to be delivered.</p>
Lewes District Lottery	A lottery for good causes for Lewes District	Q4 2018/19		We are planning for a launch of the lottery in 2019/20.

CPR LDC People and Performance Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives




Key Performance Indicators

KPI Description	Quarterly target	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 and annual 2018/19		Latest Note		
		Value	Value	Value	Value	Status	Annual target	Annual out-turn	
Average days lost per FTE employee due to sickness	2.0 days	1.62 days	2.11 days	2.76 days	2.47 days		8 days	8.96 days	<p>2.47 days is a reduction from Q3 (2.76) although a slight increase from last year's Q4 (2.18). Only 2 employees were off for the whole Q4 which is a reduction of one from Q3. Removing LDC Waste Services absences, the Q4 figure reduces to 2.38. Waste Services on its own is 3.05 which is a significant reduction from Q3 (5.15), and the nature of the work in this service area generally results in higher levels of sickness than other areas.</p> <p>HR Business Partners continue to support managers in managing attendance issues. The overall 18/19 target was 8 days. The actual figure is 8.96, and if we take Waste Services out the total is 7.93.</p> <p>The average national public sector sickness absence for 2017/18 was 8.5 days and absence rates nationally remain considerably higher in the public sector than in the private sector (5.6 days), manufacturing and production (6.2) or non-profit (7.3). This is partly explained by the general profile of the public sector workforce, the fact that we are more likely to employ staff with a long standing health condition.</p> <p>We are proposing that the target of 8 days remains for 2019/20. Whilst having a sickness target is organisational best practice; the purpose of this target is not for it to act as an entitlement figure, but rather as a figure to reduce over time.</p>

CPR LDC Environmental Impact Portfolio:



Portfolio Projects and Initiatives

Portfolio Projects and Initiatives

Project / Initiative	Description	Target completion	Status	Update
Clear Futures: Joint Venture for Energy and Sustainability	A joint venture between Eastbourne and Lewes Council and a private sector organisation to deliver local energy and sustainability ambitions for the next 20-30 years. The Joint Venture will follow a programme of work.	Q1 2037/38		A meeting of the JV Steering Board took place on 26 April. It was agreed that Bolton Metropolitan Borough Council would become a new participant.
Upper Ouse Flood Protection and Water	3 year programme of flood protection work across the District	Q4 2018/19		<p>In Q4 there were a number of meetings including:</p> <ul style="list-style-type: none"> -Site meeting and walk over of Wivelsfield Green area with local residents and Parish Councillors - identifying wet spots and locations for NFM projects to reduce risk of community assets and homes in Wivelsfield. - Meeting with Ringmer Parish Council and OART representatives regarding Natural Flood Management and Sustainable Urban Drainage Solutions in Ringmer. <p>Given the nature of projects now looking to deliver and the need to obtain permissions and buy in from affected residents, the project has requested an extension to end of 2022. This would not increase the overall budget however but rather by increasing project length will obtain more targeted spend and improved outcomes.</p>
Newhaven Flood Alleviation Scheme (Environment Agency)	Enabling the delivery of key infrastructure projects in Newhaven.	Q4 2019/20		<p>Areas 2,3,4 and 5 now complete.</p> <p>Discussions ongoing with Network Rail regarding flood gate over railway, but good progress being made.</p>

CPR LDC Finance:


Key Performance Indicators

KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19			Latest Note	
		Value	Value	Value	Value	Target	Status	Value	
Percentage of Council Tax collected during the year - Lewes	97.06%	29.78%	57.81%	85.57%	97.7%	98.00%		97.7%	The collection rate is slightly below target due to a backlog earlier in the year caused by team changes.
Percentage of Business Rates collected during the year - Lewes	98.50%	28.59%	54.64%	84.07%	98.13%	98.50%		98.13%	Collection is 0.37% below the target for the year. This is largely due to an increase in the total number of refunds processed between February (£25k) and March (£42k). The difference of £17k equates to 0.13% of the collection rate.

CPR LDC Housing Portfolio

Key Performance Indicators Portfolio Projects and Initiatives





Portfolio Projects and Initiatives



Project / Initiative	Description	Target completion	Status	Update
Modular Accommodation	Delivery of modular housing options. Programme of modular accommodation currently includes Ashington Gardens, Peacehaven and Fort Road Newhaven	Q2 2018/19		Final 3 bungalows now safely delivered to Site B (Ashington Gardens, Peacehaven). Planning consent approved at planning committee in April 2019. JCT Building contract and final fee proposal being prepared. (Fort Road, Newhaven)



CPR LDC Housing Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives

Key Performance Indicators

KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 and annual 2018/19			Latest note
		Value	Value	Value	Value	Status	Annual out-turn	Comment
DFGs - Time taken from council receiving a fully complete application to the council approving the grant	28 days	7 days	14 days	10 days	10 days		10 days	The improvement over the quarters reflects tighter control of the processes under the authority's control. Occupational Therapists (OT) started working within the Council in mid-February.
Number of Licensed HMO's Inspected per Quarter	8	0	4	3	2		9	Annual comment: Over the year there were 9 inspections which exceeds the annual target of 8. In Lewes district 11 HMOs were licensed pre Oct, and 5 since Oct. There are more than 16 HMOS in Lewes in total but only 16 require a licence. Legislation changed in October 2018 when the number of storeys for licensing was removed (pre Oct 18 the property needed to be 2 or more storeys). As long as there are 5 or more people sharing some facilities then a licence is required. The licence lasts for 5 years and only has to be inspected once.
Percentage of rent collected during the year (cumulative)	96%	90.92%	93.61%	94.48%	97.84%		97.84 %	Q4 comment: collection exceeds target Annual comment: We have seen an improvement to rent collection in LDC due to the investment in new technology and the improvements that came as a result.
The number of days taken to process new housing/council tax benefit claims	23.0	36.1	50.0	36.9	25.1		37.5	Q4 comment: Whilst the 4th quarter outturn is not on target the processes put in place have meant that February and March's performance was ahead of target. April's processing time was 19.6 days which is within the target. Annual comment: Whilst the yearly outturn is not on target there has been a tremendous improvement since quarter two, when the outturn stood at 50 days, with the performance for February and March being ahead of target.


KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 and annual 2018/19			Latest note
		Value	Value	Value	Value	Status	Annual out-turn	Comment
Days to process change of circs. (Housing / Council Tax Benefit)	8.0	9.0	12.0	13.1	3.1		6.5	<p>April Position: Ahead of target at 4.6</p> <p>Q4 comment: Performance for the 4th quarter is ahead of target. This is primarily due to our year end processes where we automatically recalculate all claims in 1 day. If we ignore the year-end processes the figure would be approximately 9 days. Performance has improved over the last few months and should continue to show further improvements.</p> <p>Annual comment: The annual outturn is ahead of target which is down to the year-end processing during March of all claims, which amounts to several thousand, in one day. This gives a skewed view of the real performance across the year, which was above the target of 8 days. However, the service is currently improving its performance on both new claims and changes and expect to be ahead of target during 2019/20.</p>
Total number of households living in emergency (nightly paid) accommodation	15	13	28	33	48		30	<p>Annual comment: It has been a challenging year for Housing Needs and Standards. The number of households in Emergency Accommodation (EA) increased from 13 in Q1 to 48 in Q4.</p> <p>However this increase reflects a national picture. In March 2019 the Local Government Association reported a 70% increase in the number of households in TA, since 2010. Moreover, 80% of Local Authorities have seen an increase in the number of homelessness presentations made to them and a 60% increase in the number of people being placed into emergency and temporary accommodation since the introduction of Homeless Reduction Act in April 18.</p> <p>Whilst homelessness and demand for housing services is relatively low in Lewes district compared to the surrounding areas (e.g. Brighton and Hove, Eastbourne and Hastings) a range of work has been completed or initiated during this performance year to help reduce the EA numbers, such as:</p> <ul style="list-style-type: none"> • Homelessness Pressures Project (e.g. Landlord Rewards and Trainee Caseworker Programme) • EHICL Lettings Solution Sprint • YMCA Accommodation • Rapid Rehousing and Access to Private Rented Sector bids <p>Now that these systems are in place the focus for early-2019/20 is on improving</p>


KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 and annual 2018/19			Latest note
		Value	Value	Value	Value	Status	Annual out-turn	Comment
								the number of successful preventions and reliefs - alongside a range of other work - which will help reduce the overall number of households in EA.
Average number of days to re-let LDC Council homes (excluding temporary lets)	25	27	32	26	41		31	<p>Q4 comment: The re-let time for Quarter 4 started off above target in January due to one long-term exceptional void which impacted on the performance during that quarter. There were also allocations issues with hard to let retirement housing properties where it took several weeks to find suitable candidates and this impacted on the turnaround time. February was within target. March again had an exceptional void which had been on-going since 2017 and this had a significant impact on the performance during that quarter.</p> <p>Annual comment: The let times this year have been affected by a long-term exceptional void, repair delays and allocation issues with hard to let retirement housing properties where it took several weeks to find suitable candidate.</p> <p>The measures Neighbourhood Housing have put in place over the last 5 months have helped us to monitor performance more closely and has improved the collaborative working between Neighbourhood Housing, Property Services and Allocations. We continue with our weekly meetings and monitoring voids closely</p>
Overall tenants' satisfaction	Data only	88.42%	90.83%	84.71%	85.15%	Data only	87.44%	<p>Q4 Comment: The figure excludes the neither satisfied / dissatisfied responses</p> <p>Annual comment: average satisfaction figure for the year was 87.44%</p>
Net additional homes provided in the District	160				281		281	<p>The situation for 2018/19 and going forward has changed in terms of our monitoring and reporting on residential completions.</p> <p>To date, our housing figures have been based on a district wide housing requirement figure of 6,900 net dwellings, as set out in Local Plan Part 1: Joint Core Strategy (2016). However, this figure has now been separated between the 2 local planning authorities covering the district and which are responsible for planning (LDC and SDNPA). The SDNPA are due to adopt in the next couple of months their own Park-wide Local Plan and we hope to adopt our Local Plan Part 2: Site Allocations and Development Management policies (covering the area of district outside the SDNP) this Autumn.</p> <p>As such, we are now measuring completions and targets against the figure of 5,494 net dwellings.</p> <p>Completions for 2018/19 (outside the South Downs National Park) = 281 Target completion for 2019/20 (outside the SDNP) = 245 (rounded)</p>

CPR LDC Planning Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives

Portfolio Projects and Initiatives


Project / Initiative	Description	Target completion	Status	Update
Neighbourhood Planning	Work with local communities on neighbourhood Plans, to guide future land use and identify where housing can be built.	Q4 2019/20		<p>Seaford NP: The Regulation 16 Consultation began on Friday 24th May, and will run for 6 weeks until 5th July.</p> <p>Newhaven: The Regulation 16 consultation has finished. The appointed Examiner, Tony Burton, has indicated that the Examination will take until the end of June.</p> <p>Peacehaven and Telscombe: The Qualifying Body, Telscombe Town Council, are applying for funding and support via Locality in order to progress with the Sustainability Appraisal and Strategic Environmental Assessment.</p> <p>Ringmer: The Neighbourhood Planning Officer attended a meeting with the Parish Council in March to discuss minor modifications to the Plan which could be made before the May elections.</p> <p>Chailey: The Regulation 14 Consultation began on May 17th and will run for 6 weeks until June 28th.</p> <p>Wivelsfield: The Lead Member for Planning, Planning Policy Lead and Neighbourhood Planning Officer attended a meeting with interested parties and members of the Parish Council to discuss the Neighbourhood Plan, potential modifications and the process involved.</p> <p>Newick: The Neighbourhood Planning Officer attended a meeting in February to discuss the process of making modifications to the Newick NP and the Parish Council are considering making modifications to the NP.</p> <p>Lewes Town (SDNPA-led and will form part of the SDNPA development plan, not LDC's) : The Lewes Neighbourhood Plan was made on 11 March. The Plan is now part of the SDNP Development Plan.</p> <p>General Neighbourhood Plan information : The Town/Parish Councils and Steering Groups have been advised of the updated five year housing land supply position as at 1 October 2018. The current position provides protection for NP policies following the NPPF's 11 December 2018 cut-off for NPs 'made' two years or more before this date where a Local</p>






Project / Initiative	Description	Target completion	Status	Update
				<p>Authority cannot demonstrate a five year housing land supply.</p> <p>The status of the neighbourhood plans is greater if the Council itself has an up to date Local Plan. A Local Plan is deemed to be out of date if the Council cannot demonstrate a 5 year housing land supply.</p>
The Local Plan (Part 2)	Local Plan Part 2 will allocate land for different types of development (including new housing and Gypsy and Traveller pitches) as well as land to be protected.	Q3 2019/20		<p>We are awaiting the Inspector's Initial Findings (due end of May)* that will direct the Council to consider main modifications to make the plan sound. Likely modifications include a reduction in the size of the Employment allocation at Newhaven Port, E1 and additional policy criteria for site allocations to provide improved mitigation.</p> <p>We are expecting to take the Main Modifications Report to Cabinet and full Council in July to seek permission to consult and resubmit to Inspectorate. On course for adoption late this year.</p> <p>*-update: received in June 2019</p>

CPR LDC Planning Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives

Key Performance Indicators



KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19		2018/19		Latest Note
		Value	Value	Value	Value	Status			
Percentage of major applications determined within 13 weeks (LDC only)	65%		40%	66.67%	66.67%			57.14%	<p>Q4 performance of 66.67% was above the target of 65% with 4 out of 6 major applications determined within 13 weeks.</p> <p>Annual performance was below target at 57.14% with 8 out of 14 major applications determined within 13 weeks.</p>

KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19		2018/19		Latest Note
		Value	Value	Value	Value	Status			
Percentage of minor planning applications determined within 8 weeks (LDC/SDNP combined)	75.00%	69.64%	54.17%	75.00%	54.93%			61.94%	Q4 performance of 54.93% was below the target of 75% with 39 out of 71 minor planning applications determined within 8 weeks. Annual performance of 61.94% was below the target of 75% with 153 out of 247 minor planning applications determined within 8 weeks.
Processing of other planning applications within 8 weeks (LDC/SDNP combined)	75.00%	82.44%	71.19%	68.50%	56.12%			69.79%	Q4 performance of 56.12% was below the target of 75% with 110 out of 196 other planning applications determined within 8 weeks. Annual performance of 69.79% was below the target of 75% with 492 out of 705 other planning applications determined within 8 weeks.
Percentage of all planning appeals allowed (officer/committee decisions)	10.0%		50.0%	25.0%	33.3%			40.0%	In Q4 we received 3 appeal decisions: 2 were dismissed and 1 allowed. The allowed appeal was in Seaford and was an officer delegated decision. The inspector considered that the proposed development would not unduly harm the character or appearance of the host dwelling or the street scene, or impact on the living conditions of the adjacent occupant through loss of light or outlook. Annual performance: 6 out of 15 planning appeals were allowed, giving an overall performance for 2018/19 of 40% against a target of 10%.
Outcome of planning appeals (Costs awarded (£))			£1,000.00					£1,000.00	Annual costs awarded amounted to £1,000 (Q2).
Number of appeals and costs awarded where the Inspector considered there was unreasonable behaviour by the Local Planning Authority	0	0	1	0	0			1	Annual performance: One appeal considered unreasonable behaviour in Q2. This related to a residential property in a conservation area.
Number of major applications for new housing granted planning permission following appeal (LDC only)	0		0					0	Annual performance: There were no major applications for new housing granted planning permission following appeal.

CPR LDC Waste and Recycling Transformation Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives



Key Performance Indicators

KPI Description	Annual Target 2018/19	Q1 2018/19	Q2 2018/19	Q3 2018/19	2018/19			Latest Note
		Value	Value	Value	Q4 Value	Status	Annual out-turn	
The average no. of working days taken to remove reported fly tips	2	2.7	2.5	1.86	1.86		2.23	<p>Fly tipping and Community issues: January Performance</p> <p>In January 2019, there were a total of 20 confirmed fly tipping reports compared with 14 for the same period the previous year. This shows an increase with the cumulative figure for the year so far up from 113 to 165 an increase of 52.</p> <p>February Performance : There were a total of 24 confirmed fly tipping reports compared with 9 for the same period the previous year. This shows an increase of 15 with the cumulative figure for the year so far up from 165 to 189 an increase of 77 during the year.</p> <p>March performance: There were a total of 26 confirmed fly tipping reports compared with 12 for the same period the previous year. This shows an increase of 14 with the cumulative figure for the year up from 189 to 215 an increase of 91for the year. In recent years the trend has been downwards but this year between 1st April 2018 and 31st March 2019 there has been a marked increase. There has been an impact since October where the ESCC amenity sites have charged for certain items.</p>
Percentage of household waste sent for reuse, recycling and composting	32.00%	37.58%	37.07%	38.74%	36.34%		37.33%	Performance for Q4 is above the target of 32%.

CPR LDC Customers and Partners Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives

Portfolio Projects and Initiatives


Project / Initiative	Description	Target completion	Status	Update
Devolution of Open Spaces	Work with new grounds maintenance contractor, Town and Parish Councils and local volunteers to maintain high quality public parks and community spaces.	Q3 2019/20 Previously Q4 2017/18		<p>Devolution sites to Newhaven Town Council:</p> <p>Valley Road Recreation Ground: Successfully completed in March 2019.</p> <p>Lewes Road Recreation Ground: NTC propose to carry out a specific development and LDC awaits details. Officers to prepare plan to show amended boundary to reflect the previous landfill site.</p> <p>Riverside County Park: ESCC Lead Member decision on lease/management arrangement awaited so that the LDC land arrangements can mirror those terms.</p> <p>East Side Recreation Ground: Ready to be transferred and awaiting a full set of signed documentation from NTC before completion.</p> <p>Drove Park Recreation Ground and Avis Road Recreation Ground: Awaiting regularisation of issues that involve third parties before proceeding further.</p> <p>Devolution sites to Lewes Town Council :</p> <p>Land at Mountfield Road (land not held in Trust), Land at Mountfield Road (land held in Trust), Stanley Turner Recreation Ground (land held in Trust).</p> <p>Officers will approach the Charity Commission in relation to the areas of land held in Trust.</p> <p>Devolution sites to Rural Areas :</p> <p>East Chiltington, Hollycroft Field including play space: Recommended for devolution by Cabinet on the 27 March. Officers to prepare Report on Title for the Parish Council.</p>
New Arts and Culture Brand and Tourism offer		Q4 2018/19		In March, progress continued to be made on boosting the Lewes Tourism offer. Over 90% of the budget set aside for 2018 - 19 has been used creatively, to develop the new Visit Lewes






Project / Initiative	Description	Target completion	Status	Update
				<p>brand, website, and literature, and to purchase equipment and infrastructure. The new VisitLewes branding has been developed and is currently being rolled out.</p> <p>Part of the budget was also used for green tourism initiatives, working with a local bus company, which will also benefit our partners and NPOs, Charleston and Monks House. It is hoped that the remaining 10% can be used to renovate unused office space at the TIC, which can then be let out to generate an income.</p> <p>Work is well underway on two major Lewes events - the Sussex Gin & Fizz festival, and Artwave. Building on previous success, both projects continue to be developed this year, with double the usual number of visitors expected at the summer 2019 Gin & Fizz festival. Both are currently on schedule and on budget.</p>

CPR LDC Customers and Partners Portfolio:

Key Performance Indicators Portfolio Projects and Initiatives

Key Performance Indicators

KPI Description	Annual Target 2018/19	Q1	Q2	Q3	Q4	Latest Note		
		Value	Value	Value	Value	Q4 Status	Value	
Number of new sign-ups to the Councils' social media channels	600	592	454	896	496		2,438	Our social media channels have continued to grow in popularity over the last 12 months, with a particularly large number of people following us around specific events such as

KPI Description	Annual Target 2018/19	Q1	Q2	Q3	Q4	Latest Note		
		Value	Value	Value	Value	Q4 Status	Value	
								bonfire night. Social media has proved an efficient way for customers to contact the council and for us to quickly and easily disseminate information to a wide audience.
Number of people registering for our email service		1,235	686	978	697		3,596	Q4 and annual comment: The high level of subscriptions to the Gov Delivery email alert service is due to our increased use of this as a platform to communicate with customers, particularly for promoting and feeding back to consultations and for sharing council news. This is aligned with the organisations channel shift objectives.
Wave Leisure: Visitors to leisure centres (Annual)	945,000	240,491	219,107	232,993	267,739		960,330	
Increase the percentage of calls to the contact centre answered within 60 seconds - Lewes	80%	38.33%	21.92%	51.63%	56.17%		40.52%	<p>Q4 comment: March's percentage of calls answered within 60seconds increased compared to February. The percentage of calls answered for the quarter has also gone up by 4.54% from 51.63% for Q3 to 56.17% for Q4. The last recruitment event that took place back in December 2018 filled the 7 vacancies at the time with 4 still in training and due to go solo by the end of April. However during this time we have gone back to having 4.5FTE vacancies with CAs leaving the team and some reducing their working hours. With 3FTE approved by CMT for recruitment, the advert will be put out in coming weeks with a hope to have new starters join the team in the next 2-3 months.</p> <p>Annual comment: The Customer Advisors have been working hard on improving the performance month on month. With all temps now gone from customer contact and queue busting no longer taking place Customer Contact will focus on ensuring robust training is cascaded to all members of the team. A new joint annual leave planner has also been implemented from the 1st April which will ensure that we have adequate coverage across sites, though leaving enough dates for all staff to take their entitlement throughout the year.</p>
Reduce the numbers of abandoned calls to the contact centre - Lewes	5%	24.71%	27.92%	16.27%	15.76%		21.94%	<p>Q4 comment: March's number of abandoned calls decreased when compared to February. The percentage of abandoned calls for the quarter has also gone down by 0.51% from 16.278% for Q3 to 15.76% for Q4. The last recruitment event that took place back in December 2018 filled the 7 vacancies at the time with 4 still in training and due to go solo by the end of April. However during this time we have gone back to having 4.5FTE vacancies with CAs leaving the team and some reducing their working hours. With 3FTE approved by CMT for recruitment, the advert will be put out in coming weeks with a hope to have new starters join the team in the next 2-3 months.</p>
Improve our ranking compared to similar authorities in relation to all crime - Lewes	5	1	1	1	1		1	Lewes has maintained its ranking as the lowest area for crime per 1000 population compared with other areas in its 'most similar group'. The Community Safety Partnership is reviewing its objectives for the year ahead in light of concerns about the level of organised and drug-related crime and the targeting of young people by County Lines and funding will be targeted to address these issues. An application has now been submitted to the Police and Crime Commissioner to merge Eastbourne and Lewes CSPs.

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LDC Performance and Projects measures: 2019/20

The following pages highlight the performance indicator targets and projects which will be reported on in 2019/20.

1. Environment: Councillor Isabelle Linington (Leader) Projects & Programmes

Project / Initiative	Description	Target Completion
Deliver the Upper Ouse flood protection and water prevention project	Programme of flood protection work across the District	Q2 2020/21
Newhaven Flood Alleviation Scheme (Environment Agency)	Enabling the delivery of key infrastructure projects in Newhaven.	Q4 2019/20
Clear Futures: Joint Venture for Energy and Sustainability	A joint venture between Eastbourne and Lewes Council and a private sector organisation to deliver local energy and sustainability ambitions for the next 20-30 years. The Joint Venture will follow a programme of work.	Q4 2037/38

Key Performance Indicators

KPI Description	Annual Target 2019/20
Total number of reported fly-tipping incidents	200
Percentage of household waste sent for reuse, recycling and composting	38%
Number of times nitrogen dioxide levels exceed national air quality objectives (200 µg/m3 hourly mean ave.)	18 (annual max) – NEW as per Nov 18 Council Motion
Sites exceeding recommended national air quality nitrogen dioxide levels (40 µg/m3 quarterly mean)	Data only with commentary- NEW as per Nov 18 Council Motion
Number of times particulate matter levels exceed national air quality objectives (50 µg/m3 24 hour ave)	35 (annual max)- NEW as per Nov 18 Council motion
Number of planning apps which contain provision of EV charging points	Data only- NEW as per Nov 18 Council motion
Number of planning permissions given where some form of renewable energy is included in the development	Data only- NEW as per Nov 18 Council motion

2.Regeneration and Business: Councillor Joe Miller Projects & Programmes

Project / Initiative	Description	Target Completion
Newhaven Enterprise Zone (NEZ)	NEZ covers 8 key sites of strategic importance with the aim of driving economic growth through the creation of up to 55,000m ² of new employment floorspace, refurbishing 15,000m ² of existing employment floorspace and creating / sustaining up to 2,000 FTE jobs over a 25-year period.	Q4 2041/42
Newhaven Town Centre	Delivery of mixed use regeneration scheme within NEZ.	Q4 2020/21

3.Strategic Development: Councillor Jim Lord Projects & Programmes

Project / Initiative	Description	Target Completion
North Street Quarter	Regeneration of the North Street Quarter area in Lewes to provide over 400 homes; health hub; car park and new commercial space.	Q1 2021/22
Springman House- Blue light services hub	Relocation of key emergency services to create a blue light services hub that supports delivery of the North Street Quarter.	Q3 2019/20
Set up and Energy Services Company (ESCO) for North Street Quarter (LDC)	Establishment of an ESCO to support delivery of the North Street Quarter.	Q3 2019/20
Seaford Health hub (formerly Downs Leisure Centre)	Project to renovate the Downs Leisure Centre to better serve the community's health needs.	Q3 2020/21
Railway Quay	Delivery of mixed use regeneration scheme within NEZ.	Q2 2020/21

4.Finance and Corporate: Councillor Phil Davis

Project / Initiative	Description	Target Completion
Devolution of Open Spaces	Work with new grounds maintenance contractor, Town and Parish Councils and local volunteers to maintain high quality public parks and community spaces.	Q3 2019/20
Key Performance Indicators		Annual Target 2019/20
Average working days lost due to sickness per FTE equivalent staff		8 days
Percentage of Council Tax collected during the year		98%
Percentage of Business Rates collected during the year		98.5%
Percentage of calls to the contact centre answered within 60 seconds		80%
Social media responsiveness rate		90%
Number of new sign-ups to social media channels		600

5.Housing: Councillor Ron Maskell

Key Performance Indicators

KPI Description	Annual Target 2019/20
Net additional homes provided (reported annually only not quarterly)	245
The time taken from the receipt of a fully complete DFG application to the grant being approved	28 days
Total number of households living in emergency accommodation	Data only
Overall tenant satisfaction	Data only
Rent arrears of current tenants (as a percentage of all rent)	3%
Average number of days to re-let Council homes (excluding temporary lets)	23

6. Planning : Councillor Tom Jones

Key Performance Indicators

KPI Description	Annual Target 2019/20
Percentage of major applications determined within 13 weeks	65%
Percentage of Minor applications determined within 8 weeks	75%
Processing of other planning applications within 8 weeks	75%
Percentage of all planning appeals allowed	Data only
Percentage of major planning applications allowed on appeal (as a percentage of all MAJOR applications made)	Data only
Number of appeals and what costs were awarded where Inspector has considered has considered that there has been unreasonable behaviour by the Local Planning Authority	0

Projects & Programmes

Project / Initiative	Description	Target Completion
Neighbourhood Planning	Ongoing with annual review.	Q4 2019/20
Local Plan Part 2	Local Plan Part 2 will allocate land for different types of development (including new housing and Gypsy and Traveller pitches) as well as land to be protected.	Q3 2019/20

7. Community and Partners : Councillor Liz Boorman

Key Performance Indicators

KPI Description	Annual Target 2019/20
Average number of days to process new claims for housing/council tax reduction	22 days
Average number of days to process new claims for change of circumstances	8 days
Crime: Improve our ranking compared to similar authorities	Target ranking of 1-5 out of 15

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Projects & Programmes

Project / Initiative	Description	Target Completion
Lewes District Lottery	A lottery for good causes for Lewes District	Q2 2019/20

Body:	Cabinet
Date:	1 July 2019
Subject:	Medium Term Financial Strategy
Report Of:	Chief Finance Officer
Cabinet member	Councillor Phil Davis (Portfolio Holder for Finance)
Ward(s)	All
Purpose	To provide an update on the process and approach to the Council's Medium Term Financial Strategy for the period 2019/20 to 2024/25.
Decision Type:	Key Decision
Officer Recommendation(s):	To note the background to the Medium Term Financial Strategy for 2019/20 and approve the approach outlined in this report.
Reason for recommendations:	To progress the Medium Term Financial Strategy process and update Cabinet on the background to this.
Contact:	Homira Javadi, Chief Finance Officer E-mail address: Homira.Javadi@lewes-eastbourne.gov.uk

1.0 Introduction

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. This report outlines the proposed process for the MTFS for the period 2019/20 to 2024/25, which ultimately leads to the setting of the Council's budget in February 2020.
- 1.2 The Council approved its Medium Term Financial Strategy (MTFS) in February 2018 and the Cabinet recommended a resulting draft 2019/20 budget proposal in December 2018 following the service and financial planning process in the autumn.
- 1.3 To ensure Members have a sound basis for planning and decision making, the MTFS this year will be reviewed and updated at the following key points in the year:
 - Midyear – as a series of principles and as a framework for initial detailed budget discussions for the forthcoming financial year;

- December/January – an update to include additional information received at a national level and identified corporate issues, and the detailed budget build; and
- February – with the final Budget for the new financial year.

1.4 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Corporate Plan, over the medium term.

1.5 The vision of the Lewes business plan is to be *“committed to providing value for money for our residents and keeping Council tax levels as low as possible, despite the challenging financial climate.”*

1.6 The key underlying principles of the MTFS are:

- securing a balanced budget and setting modest increases in Council tax when appropriate;
- delivering service efficiencies and generating additional income where there are opportunities to do so;
- ensuring that the council maintains sufficient reserves and contingencies to be resilient to manage the increased level of risks associated with a more commercial agenda..

2.0 MTFS Review Areas – Economic Picture, Public Finances, and Core Funding

2.1 The Council’s MTFS is shaped by the national economic background, affecting the costs the Council incurs, the funding it receives, and demand for services. The following external factors will be analysed in undertaking the mid-year review of the MTFS:

- National and local economic outlook, including the impact of Brexit
- Inflation
- Interest rates
- Public Sector Pay
- Factors affecting demand-led services

2.2 The national Public Finances position directly affects the Council’s Core Funding – consisting of Government Grants, Business Rates, Council Tax and New Homes Bonus (NHB).

2.3 The four-year period to be covered by the next MTFS represents one of considerable uncertainty in respect of Local Government financing. 2019/20 is the end of the current Spending Review and four-year Local Government finance settlement. The 2019 Spending Review is intended to confirm overall local government resourcing from 2020/21, and the Government is also working towards significant reform in the local

government finance system in 2020/21. This includes an update to the baseline funding levels and resetting business rates baselines, and the potential outcome of the current Fair Funding Review, which will affect how funding is allocated and redistributed between local authorities from 2020. However, current political and economic uncertainty indicates that the Spending Review period, and the settlement for 2020/21, could be one year only.

- 2.4 Regardless of shorter term uncertainties, the trend is undoubtedly likely to be that Lewes will continue to become ever more reliant on internally generated resources and local taxation. This has a positive benefit in that the council is more locally focussed and responds directly to local needs. However, it also means that it is more exposed if there is a downturn in the local economy. This necessitates the need to have healthy reserves and a strong balance sheet, and to deliver on efficiency savings and income generation. These internal review areas are briefly outlined in the next section.

3.0 MTFS Review Areas – Internal Process

- 3.1 The internal MTFS review process is underway, starting with a root and branch review, challenging current budgets directorate by directorate. 2018/19 outturn data will be reviewed against current 2019/20 budgets, with a view to ascertaining what in-year adjustments and savings could be achieved. Consideration of potential budget requirements for 2020/21 will be mindful of the challenging budget position of the Council and the need to find savings.
- 3.2 This review will in particular include consideration of :
- Realistic income projections
 - Fee and charging levels tolerable to the market
 - Service pressures and changes
 - The delivery of existing savings targets
 - Additional achievable savings
- 3.3 In addition, the Capital Programme and its implications and interactions with the budget will be carefully reviewed. Finally, reserve levels will be reviewed and the MTFS and Budget comprehensively risk assessed.

4.0 Implications

4.1 Financial

None arising directly from this report.

4.2 Legal

None arising directly from this report.

4.3 Risk Management implications

None arising directly from this report.

A full risk assessment will be provided as part of the mid-year MTFS to be reported to Cabinet later in the year.

4.4 Equality Analysis

The equality implication of any individual decisions relating to the projects/services reviewed as part of the MTFS will be in other relevant Council reports.

5.0 Conclusion

The Council faces considerable financial challenges in the medium term, primarily relating to changes and uncertainty in both public finances and the wider economic environment. The MTFS process briefly outlined in this report is intended to support in meeting these challenges and moving to a long term sustainable position.

6.0 Appendices

6.1 Appendix 1 – Medium Term Financial Strategy 2018/19 – 2023/24



Lewes District Council

MEDIUM TERM FINANCIAL STRATEGY

2018/19 – 2023/24

1 INTRODUCTION

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. As is the first year of the incoming Section 151 Officer, continuity was viewed as more important and the assumptions are not materially different to last year's report bar minor changes due to improved data.
- 1.2 To ensure Members have a sound basis for planning and decision making, the MTFS in the future will be reviewed and updated at key points in the year these are:
- Midyear – as a series of principles and as a framework for initial detailed budget discussions for the forthcoming financial year;
 - December/January – an update to include additional information received at a national level and corporate issues identified through service planning, and the detailed budget build; and
 - February – with the final Budget for the new financial year.
- 1.3 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Corporate Plan, over the medium term.
- 1.4 The vision of the Lewes business plan is to *“committed to providing value for money for our residents and keeping Council Tax levels as low as possible, despite the challenging financial climate.”*
- 1.5 The key underlying principles of the MTFS are:
- securing a balanced budget and setting modest increases in Council tax when appropriate; and
 - delivering service efficiencies and generating additional income where there are opportunities to do so.
 - ensuring that the council maintains sufficient reserves and contingencies to be resilient to manage the increased level of risks associated with a more commercial agenda.
- 1.6 In setting annual budgets the Council has a policy of meeting its ongoing budget requirement from ongoing resources in each year. The policy applies to the cycle of the MTFS, as it is reasonable to use reserves to smooth out the budget requirement as savings accrue over the cycle. By not using reserves in this manner it means that reserves over the minimum level are available for one off investments in services decided via the service and financial planning process.
- 1.7 The Council, as a registered social landlord is obliged to run a Housing Revenue Account (HRA) that is statutorily ring-fenced from its general fund. A 30 year rolling business plan has been adopted for the HRA. The Council is working in partnership with Lewes to

deliver efficiency savings in partnership using shared services. All savings accruing to the HRA are reinvested in housing services.

- 1.8 As with all Councils, the effect of inflation is felt on gross expenditure, whilst any increase in council tax or grant is based on a net position. This “gearing effect” means that there is a natural gap of at least £250k per annum that needs to be met from efficiencies (approximately 2-3% of net spend) if services are to be protected. This is on top of the Government reductions. Given the current reduction in grant and the inability to raise council tax in real terms due to capping criteria, the Council has to look to longer term measures to maintain sustainable finances. Therefore, it is looking to a combination of at the very least self-financing investments to locally regenerate the area and commercialising existing services.
- 1.9 Part of the process of delivering a robust MTFS to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. A MTFS risk analysis together with mitigating actions is provided in Appendix B1.

2 ECONOMIC PICTURE & PUBLIC FINANCES

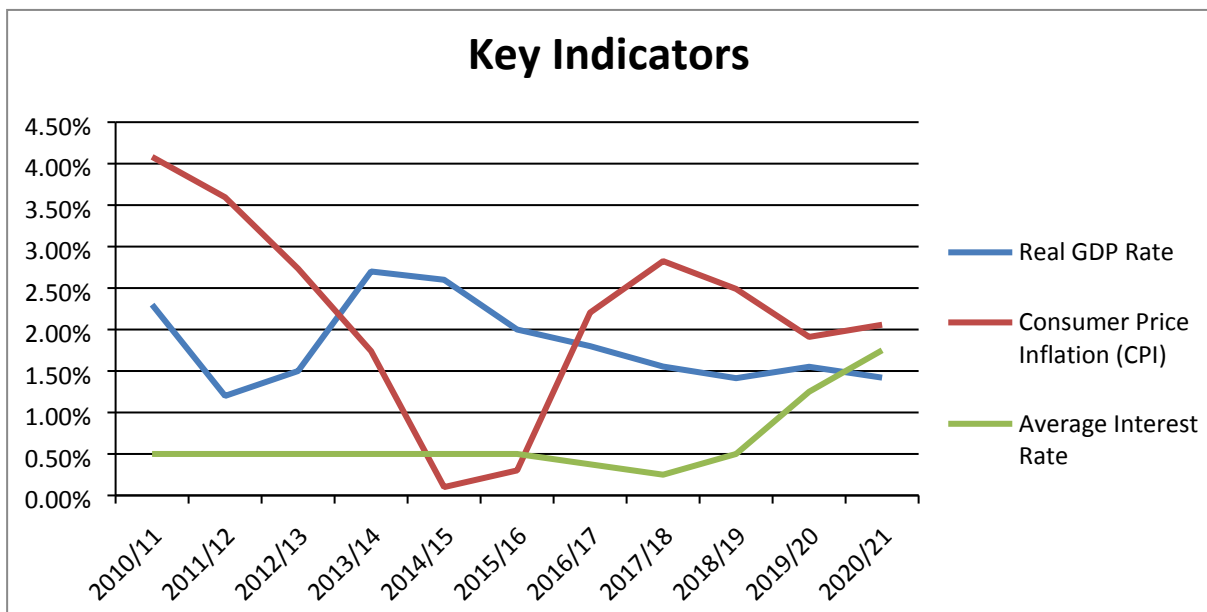
- 2.1 The national economic background affects the costs the Council incurs, the funding it receives, and contributes to the demand for services as residents are affected by economic circumstances. The inflation rate impacts on the cost of services the Council procures, as the Council delivers much of its service provision through contractual arrangements where inflationary pressures have to be negotiated and managed. Specific contractual inflation has been incorporated into the Council’s financial position, where appropriate, based on the actual contractual indices.
- 2.2 The wider economic picture is challenging for local government. The Chancellor’s budget delivered on 29th October was not regarded by the Institute for Fiscal Studies as a ‘bonanza’, with its director, Paul Johnson, stating that “many public services are going to feel squeezed for some time.” Even upper tier authorities see £650m additional social care monies as not covering the planned cuts for 2019/20.

Gross Domestic Product (GDP)

- 2.3 Growth is estimated to be weak for the new future at 1.6% for 2019 after an estimated 1.3% in 2018. Therefore, with Brexit on the horizon, currently anticipated to take place on March 29th 2019, it is unlikely that the Council will see an improvement in its funding from central government, particularly as there is still one year to go on its current 4-year financial settlement. The only possible exception is if the Chancellor is required to release his fiscal firepower to prevent a major recession. District councils are also likely to be lower down the priorities of any government with the NHS, tax cuts and highways utilising the majority of additional incoming public resources (tax growth).

Consumer Price Index (CPI)

- 2.4 Inflation as measured by CPI, was 2.4% for September 2018, down from 2.7% in August. The Bank of England latest forecast (as at November 2018 is set out below. The BoE target rate for inflation is 2%.



* 2010/11 to 2016/17 based on ONS Data. 2017/18 and forecasts based on Office for Budgetary Responsibility data. It is important to note that 2018/19 to 2020/21 are forecasts and should be treated as such. Interest rate projects are assumed to be 0.5% per year as the Governor originally suggested would be likely. Impact of Brexit is unknown.

Bank Interest Rate

- 2.5 Interest rates are at 0.75% and it is not anticipated that they would rise prior to Brexit on March 29th. However, it is widely assumed that the gradual projection is upwards. Interest rates on short-term debt in the local government market are now around 0.7-0.9% for 6 months to 1 year debt. It was widely assumed until recently that interest rate increases would be limited to 0.5% per year. However, it is important to note that the Bank of England has referred to the new natural interest rate level as being between 2% and 3%.

Public Sector Pay

- 2.6 From April the National Living Wage will rise again, by 4.9%, from £7.83 to £8.21. This demonstrates that while pay is going up at 2% for those on NJPC scales and 2% for those on the Chief Officer pay rates, that at the bottom there will be a bigger impact, more significantly affecting the bottom line of the council.

3 CORE FUNDING

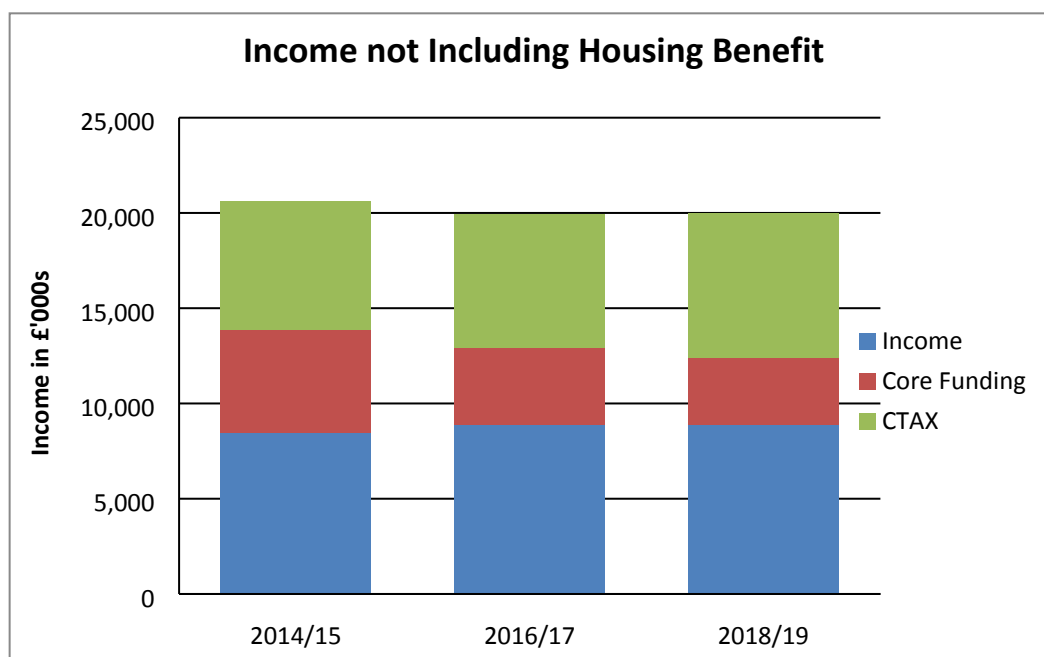
- 3.1 The 2016/17 Settlement offered councils a four-year settlement, giving greater certainty of funding until the end of the spending period (2019/20). The 2019 Spending Review will confirm overall local government resourcing from 2020/21, and the Government is working towards significant reform in the local government finance system in 2020/21. This includes an update to the baseline funding levels and resetting business rates baseline.

Revenue Support Grant (RSG)

- 3.2 RSG has substantially reduced in recent years and is now zero. The funding settlement for Lewes has become tougher over the years, as the central government grants are now limited to cover the cost of housing benefit and one-off matters of Government interest. Negative RSG, which occurs when the Council pays the government a central government grant rather than the other way around, has been eliminated recently but

in practice this means that Government will reduce Councils' business rate entitlement instead of asking Lewes to give it an RSG payment.

- 3.3 In the long run, despite cuts now going back almost a decade, there is no end in sight to austerity for local government, even if it ends in the rest of the public sector. Even county councils, which have received some limited extra social care funding, expect to continue to need to go beyond efficiency measures. Ultimately, uncertainty, limited funding for social care and the scale of the reduction of government funding has put county council finances in a difficult position. Lewes Council cannot avoid the fallout from such a situation as services that deal with vulnerable residents are already facing greater pressures, such as Housing.



- 3.4 The Chart above shows the change in the income profile with a high level estimate for 2022/23 based on existing trends, subject to the caveat that central government has the right to significantly reduce our funding further and faster. However, the overall trend is clear that Core Funding (NNDR +RSG) is declining while income from fees, charges and commercial income is growing as a percentage of total funding and in real terms.

- 3.5 On 24 July 2018 the Ministry of Housing, Communities & Local Government (MHCLG) issued a technical consultation on the 2019/20 Local Government Finance Settlement. The consultation closed on 18 September 2018. The document set out the Government's proposed approach to the 2019/20 Settlement and outlined the following:

- The fourth year of the multi-year settlement
- The Government's position on the New Homes Bonus threshold
- The Government's proposal for Council Tax referendum principles for 2019/20
- The Government's proposal for dealing with the issue of 'Negative Revenue Support Grant'

- 3.6 In April 2018 the former Secretary of State commissioned a review of the MHCLG oversight of the business rates system. On 24 October 2018 the report of an

independent review of the governance and processes of the system was published. The terms of reference for the review were set out under five themes: complexity; governance and management; capacity and capability; openness; and culture. In general, the review found that MHCLG and local authorities have managed the growing complexity of the system well, however noted that the Department's processes can be strengthened to ensure future challenges can be managed effectively.

- 3.7 In addition to focus on the MHCLG's own processes, the report also considered the overall approach to annual decisions on the local government finance system. The report recommended that the Provision Settlement should be released around 5 December and the Final Settlement no later than the 5 January. Having a clear settlement timetable in place will help ensure that local authorities can take a more planned approach. In light of this recommendation, the MHCLG has announced that it will aim to publish the Provisional Settlement for 2019/20 on 6 December 2018.

Business Rate Pool

- 3.8 This year, the Council re-entered into the existing pooled arrangement across East Sussex to retain the benefits of growth locally. It is anticipated that this will generate £200k of additional resources. Due to a change in government policy, the new pilot arrangements will in the future only keep 75% of the share in growth, whereas previously Central Government had a clear intent to achieve 100% localised funding as quick as possible.

75% Business Rate Pilot

- 3.9 In July of this year, The Government invited local authorities in England to apply for a 75% business rate retention pilot scheme for 2019/20. Lewes District Council jointly with its East Sussex Business Rate pooling partners submitted their bid to become BR Pilot on 25 September. The successful bids are expected to be announced prior or at the time of the provisional local government financial settlement in early December. Based on the work undertaken by LG Futures, the Council could see additional retained income of about £200k.

Business Rate Growth

- 3.10 Nationally, business rate is growing by inflation but many internet-based businesses are able to avoid the tax impact and there are national concerns that this has on the high street. The Government offered £1.5bn of reductions to business rates to smaller businesses which it will fund back to authorities via section 31 grants.
- 3.11 It is also important to recognise that second tier councils' share of business rates could be at risk of being reduced in the future. This is to allow redistribution of the resources to higher priority services and economically disadvantaged authorities. This will lead to the Council becoming ever more reliant on council tax, fees and charges and commercial income sources.

Fair Funding

- 3.12 The Fair Funding review will affect how funding is allocated and redistributed between local authorities from 2020. How this will be done is the subject of further consultation between now and mid-2019. The Government is continuing to work with the Local Government Association (LGA) and local authority representatives to develop the new

system. Indicative numbers for funding allocations to individual councils are expected to be available by spring-summer 2019, and the review is to be implemented in April 2020 via the Local Government Finance Settlement process.

Council Tax

- 3.13 The Chart below demonstrates the change in Council Tax over the years. The 2019/20 position assumes 1.99% in Council Tax Growth and that existing preceptor demand follows existing patterns. From 2020/21 onwards, it will only be assumed that there is 0.3% growth in the Council Tax base. It is important to note that these numbers include the average of special expenses, which exist to ensure no parish is charged for Council Tax for services that they do not receive.

Year	2015/16	2016/17	2017/18	2018/19	2019/20
Band D Equivalent	£189.61	£ 190.61	£195.05	£200.84	£204.84
Precept	£6,632,448	£6,823,300	£7,089,200	£7,438,000	£7,609,000

New Homes Bonus (NHB)

- 3.14 Following the reduction from 6 years to 4 years of allocation, New Homes Bonus allocation is expected to drop significantly again. This is because Councils are now required to achieve a net baseline growth of 0.4% in Band D equivalent homes before they can receive any NHB income.
- 3.15 Self-sufficiency and resilience are key concepts to the path for all southern district councils but particularly for Lewes with its desire to regenerate the local economy and transform deprivation.

4 RESOURCES AVAILABLE TO LEWES & LOCAL CHALLENGES

- 4.1 As can be seen in the above Chart of Income (Section 3), Lewes has become ever more reliant on internally generated resources and local taxation. This has a positive benefit in that we are more locally focussed and respond directly to local needs. However, it also means that we are less resilient if there is a downturn in the local economy. Furthermore, it necessitates the need to have healthy reserves and a strong balance sheet.
- 4.2 The Council has been prudent in assumptions and has successfully delivered on the Joint Transformation Plan and will inevitably generate further efficiencies. However, these will now form a smaller part of the future savings than new or additional income growth, as efficiencies have their limits. This necessitates a more structured approach to understanding our fees and charges and identifying areas where income can be most easily grown.
- 4.3 It is important to recognise that such income sources can take years to generate. Large projects will not necessarily deliver in their entirety from year 1, as there is inevitably a lead-in time and therefore prudently the Council is careful not to rely overly heavily on one project. More importantly, Lewes cannot rely too heavily on immediate savings as most income growth going forward will be slower to ramp up and the Council will need

to programme in the potential for significant delays. Once again the need for significant reserves becomes clear.

Housing Revenue Account (HRA)

- 4.4 The scrapping of the HRA borrowing cap has given Lewes flexibility and the opportunity to borrow in a more efficient fashion. The Government is also consulting on relaxing its RtB formulae, to encourage shared ownership products and to allow us to use up to 50% of RtB funding on affordable housing, rather than the current 30%. The Council will ensure that it finances capital activities in the most efficient way possible to minimize unnecessary borrowing.

Capital Investment

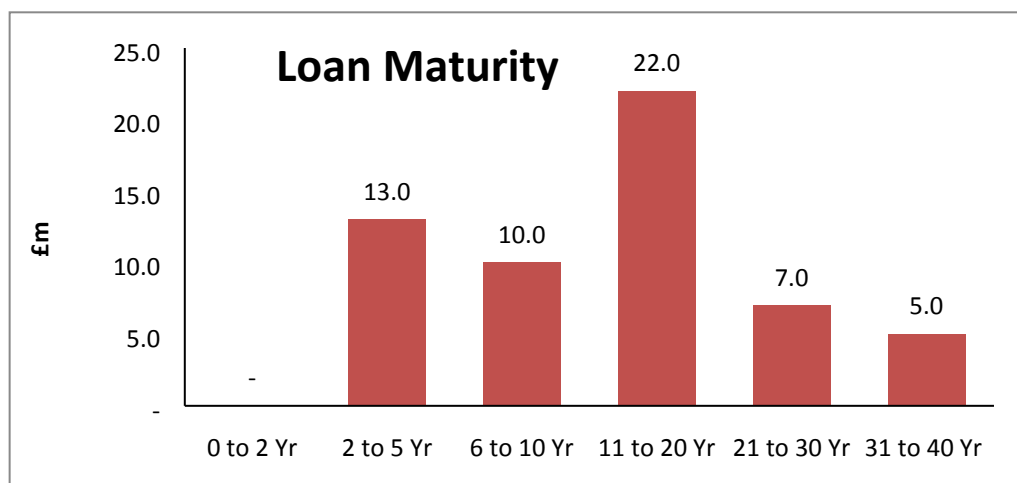
- 4.5 The Capital Investment Programme also has an effect on the Councils revenue finances as any investments that cannot be met from grants, contributions, capital receipts or revenue funding need to be met from borrowing. This has to be repaid with interest from revenue and/or capital receipts over time. The General Fund policy is to use borrowing only on a business case basis.
- 4.6 Any such borrowing is fully financed by way of interest charges and the Minimum Revenue Provision (MRP) which is the capital repayment. As new schemes that require borrowing are approved, the Council has to make provision for repayment via the capital financing budget. In order to keep this sustainable a stability mechanism that pools the following budgets is maintained.
- Interest earned
 - Interest payable on debt
 - Minimum Revenue Provision
 - Revenue contributions to the capital programme (to balance)
- 4.7 It is up to Councils to set their own MRP and balances of Capital Receipts and Contributions can be offset to reduce this liability in the short term, although this only provides for short-term relief against the cost of capital. Any budget surplus from interest and MRP is recycled into the capital programme by way of a transfer to the “capital programme reserve”. This system creates a stabiliser mechanism between interrelated budgets.
- 4.8 Capital investment can be used as “invest to save” therefore borrowing is an important tool in the overall financial strategy where savings on schemes exceed the cost of capital. More recently it has been necessary to look for investments that have a yield over and above the borrowing costs to make a net contribution to the general fund. The Council has also taken advantage of schemes that give a return by providing a guarantee to a third party rather than incurring debt, contingent liabilities and corresponding assets are shown on the Council’s balance sheet to reflect this.
- 4.9 The Capital Programme has a significant focus on return on investment, and the borough’s focus on commercial opportunities must be understood through the lens of economic development and regeneration. Lewes is aware of CIPFA’s position that it

should not borrow for commercial investment purposes and that is why its investment

Capital Programme	£'000s	Funded by:	£'000s
HRA Housing Investment	9,079	Capital Receipts	1,720
GF Housing Investment	3,979	Reserves	10,650
LHIC/Aspiration Homes	20,000	Capital Grants	2,684
Joint Transformation Plan	913	Capital Expenditure Financed from Revenue	358
Regeneration	34,305		15,412
Special Delivery/Specialist/IT	3,321		
	<u>71,597</u>	Gap that will be covered by Borrowing	<u>56,185</u>

focus is on locally beneficial investments.

- 4.10 Lewes is a net borrower due to the HRA self-financing settlement but it has not needed to borrow for years and so invests up to £20m with other local authorities, money market funds and the Debt Management Office. However, there is a future need to borrow. Going forward those rates are unlikely to be favourable, as the UK appears to be on a gradual path to normalisation, subject the standard caveat of Brexit.
- 4.11 The Council's borrowing requirements are expected to be over £50m but the timing of this relates to capital delivery and interest rate predictions. The timing of Brexit and whether to borrow slightly ahead of need to ensure a favourable rate bears heavily on the borrowing decision. It also needs to take into account of internal borrowing. This is another reason as to why every year, the Council prudently reviews its capital programme to ensure that its priorities remain the same and that the Council makes the most efficient use of its resources.



- 4.12 For 2019/20, the Council will be producing a capital investment strategy for the budget to comply with new statutory regulations. Therefore, it is not intended that the MTFS should cover Lewes's approach to capital investment in excessive detail.

5 REVENUE STRATEGY – EFFICIENCIES

- 5.1 Lewes and Eastbourne Councils' shared Joint Transformation Plan has delivered £2.8m savings and is anticipated to deliver a further £0.4m in 2019/20. By sharing services and

business process re-engineering the way it operates, it has been successful in transforming its services. This places a heavy reliance on systems and careful implementation and re-training of existing employees.

5.2 The Council will continue on this path of transformation of core services but ultimately the organisation cannot produce enough savings by this process alone and so it will also need to find new ways to generate income, as discussed in section 7.

5.3 The priority in the immediate term is to produce a robust budget with confidence in the key assumptions.

6 REVENUE STRATEGY – INCOME GROWTH

6.1 The Council has assumed income inflation each year and £200k of new income sources in 2019/20.

6.2 Lewes is increasingly taking a more commercial approach to generating new income in the district, including property and housing development opportunities. Over the next 5 years, the council will examine the opportunities the case for commercialising existing services and examining instances where the cost of operations needs to be covered.

7 RISK ANALYSIS

Risks	Cost	Impact	Likelihood	Detail and Possible Mitigations
0.25% change in interest rates on our existing capital programme	£56m	£0.14m	High	The Bank of England has suggested 2 rises of 0.25% per year is probably for the next 3 years. Therefore, the Council could look to borrow earlier than when it needs it – upto to 2 years in the future. The main lesson learned is that all projects need to cover borrowing costs unless the Council chooses to increase its savings target.
1% change in pay	£8m	£0.08m	Low	This is set nationally and pay is growing slightly over 2% per year, except next year due to a review of payscales. A possible mitigation is that all services would need to cover pay inflation locally by holding vacancies.
1% change in average price inflation	£10m	£0.1m	Medium	Current inflation and Brexit means there is a significant likelihood of above average rises. However, the main contracts that are funded are only worth £3m so a £30k impact is possibly more likely.
1% change in pensions	£8m	£0.08m	Low	It is expected that Lewes will continue to see its lump sum increase by £50k per year to clear the existing deficits but this is already included in our assumptions. The risk is that the actuaries will adjust their assumptions requiring a higher contribution rate due to a more negative view on our investment returns. This is difficult to predict at present.
Unfunded business rate discounts by Government	£m?	£m?	Medium	This is a common strategy of Central Government when it can offer tax cuts at no cost to itself. The impact is unknown but so far has been containable.
9% Reduction in retained NNDR	£2.8m	£0.25m annually	High	This reduction has already been modelled as the 9% reduction in reduced core funding (NNDR+RSG) was the original approach of the Coalition Government. Any over-provision could offset other costs in future years.

- 7.1 Interest rate risk of £0.56m ($£0.14\text{m} \times 4$ interest rate rises) and the 1% change in average price inflation (£0.1m) are the two main probable risks that the MTFS does not mitigate beyond the use of reserves. The Council's General Fund unallocated reserves would cover the realisation of these risks for three years. This indicates why the MTFS always needs to be prudent and why reserves are a key part of the Council's risk strategy.

8 RESERVES

- 8.1 As can be seen below the Council has significant reserves. However, the majority of these reserves are related to the Housing Revenue Account or are earmarked for specific purposes. This means that in practice, the reserves available to cover one-off needs or unexpected overspends is more limited.

	Known			Forecast		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
General Fund (Working Capital & Emergency Funds)	(2,066)	(2,062)	(2,093)	(2,107)	(2,129)	(2,148)
Capital & Regeneration	(5,770)	(5,802)	(4,765)	(4,352)	(3,775)	(3,361)
Earmarked/Grant Reserves	(4,949)	(4,294)	(3,972)	(3,560)	(3,242)	(2,929)
Total General Fund	(12,785)	(12,158)	(10,830)	(10,019)	(9,147)	(8,438)
HRA (incl. MRR)	(4,883)	(7,805)	(7,427)	(7,973)	(7,413)	(7,433)
Total	(17,668)	(19,963)	(18,257)	(17,992)	(16,560)	(15,871)

- 8.2 It is up to the Section 151 officer to set the appropriate level of reserves that they believe the authority should maintain. Currently, £2m or approximately 15% of the net general expenditure budget is considered to be within the range that is deemed appropriate. Further work will be undertaken to maximize on opportunities to create additional financial resilience to protect the Council against any new and additional risks which it may face.

5-YEAR MEDIUM TERM FINANCIAL PLAN PROJECTIONS

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Adjusted Base Budget	10,777	11,167	11,697	10,857	10,689	10,650
Pay and Price Inflation	202	223	257	253	253	253
Inflation on Contracts	23	23	100	100	100	100
Capital Financing Growth		491	30	25		
	11,002	11,904	12,084	11,235	11,042	11,003
External Funding						
RSG	(2)	0	0	0	0	0
Retained Business Rates	(2,907)	(2,619)	(2,383)	(2,169)	(1,974)	(1,796)
Business Rates Pool	0	(200)	0	0	0	0
Other Government Grants	(378)	(340)	(306)	(275)	(247)	(222)
New Homes Bonus	(649)	(556)	(323)	(220)	(220)	(220)
Total External Funding	(3,936)	(3,715)	(3,012)	(2,664)	(2,441)	(2,238)
Council Tax	(7,438)	(7,438)	(7,669)	(7,845)	(8,025)	(8,209)
Council Tax Growth		(231)	(176)	(180)	(184)	(188)
Council Tax Surplus	(130)	0	0	0	0	0
Total Sources of Funding	(11,504)	(11,384)	(10,857)	(10,689)	(10,650)	(10,635)
Gap	(502)	520	1,227	546	392	368
Fees and Charges		(191)				
Growth - one-off		464				
JTP - Shared Transformation	(700)	(200)				
Wave leisure service fee reduction	(104)					
Final Phasing out of LCTS Grant to Towns & Parishes	(30)	(30)	(30)	(30)	(30)	(20)
Income - Commercial	(200)					
HRA contribution to JTP		(250)				
Balance to/from Reserves	1,536	(313)	323	220	220	220
Cumulative Gap/ (Surplus)	0	0	1,520	2,256	2,838	3,406
Total General Reserves B/fwd	(10,830)	(10,019)	(9,456)	(8,009)	(5,723)	(2,855)
Non recurring service investments		250	250	250	250	250
Budget Balance from/(to) reserves	811	313	1,197	2,036	2,618	3,186
Total General Reserves C/fwd	(10,019)	(9,456)	(8,009)	(5,723)	(2,855)	581

9 PRIORITIES, AIMS AND OBJECTIVES

- 9.1 The Lewes Business Plan provides the overarching vision for Lewes. In fulfilment of the Plan, the Council makes use of significant resources to achieve its aims including money, people, property and technology. In order to allocate resources to competing demands, achieve effective and efficient use of its resources, best value and ultimately achieve its vision, the Council has several strategies and plans which give a clear sense of direction and underpin the deployment of those resources.

10 STRATEGY OBJECTIVES

- 10.1 The Council's MTFS aims to ensure the provision of the best quality services possible within the resources available. To do so it must maximise the use of its resources to ensure they are used efficiently and effectively to support the development of longer term sustainable objectives.

- 10.2 The specific objectives of the MTFS are to:

a) ensure that the Council sets a balanced, sustainable budget year by year, so that forecast spending does not exceed forecast resources available to it;

b) plan for a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council's policies and objectives;

c) redirect resources over time to adequately support and resource the priorities of the both the Council and the wider community; and

d) maintain sufficient reserves and balances to ensure that the Council's long term financial health remains sound.

11 STRATEGY PRINCIPLES

- 11.1 The principles set out below provide a framework within which the Council will develop its detailed financial plan over the medium term.

General

- 11.2 There are a number of overarching principles that will apply across the Council's detailed financial accounting, planning and monitoring:

a) that the Council's budgets, financial records and accounts will be prepared and maintained in line with approved Accounting Standards, the CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the relevant sections of the Council's Constitution and Finance Procedure Rules;

b) prior to setting a budget, the Council will always analyse potential risks and ensure these are minimised in line with its Risk Management Strategy;

c) that the Council's Corporate Management Team will review the budget proposals for reasonableness and adherence to corporate policies and objectives prior to the budget being submitted to Cabinet;

d) the Council will monitor its revenue and capital budgets effectively. Monitoring will be undertaken monthly by Heads of Service together with their portfolio holders, and integrated quarterly monitoring reports will be reported to Cabinet. In cases where significant financial and service performance deviates from that planned, action plans setting out corrective action will be drawn up by Heads of Service / Portfolio Holders and reported to Cabinet as appropriate;

e) that the Council's Corporate Management Team will take appropriate steps to continue to maintain and improve the accuracy and quality of data that it uses throughout the Council thereby ensuring that budget and other decisions are taken on a sound basis; and

f) the Council will seek to maximise external contributions towards revenue and capital spending for example through bidding for specific grants, attracting levered funding, participating in new funding streams and engaging in further strategic partnering opportunities where appropriate.

General Fund (Revenue)

11.3 In relation to its revenue budgets the Council will:

a) set a balanced budget each year that will be constructed to reflect its objectives, priorities and commitments. In particular, the budget will influence and be influenced by the Business Plan, the Organisational and Development Strategy, Capital and Asset Management Strategies, the Risk Management Strategy, its Comprehensive Equality Scheme and its Consultation and Engagement Strategies;

b) within the constraints of the resources available to it, set a sustainable budget each year that meets on-going commitments from on-going resources. The Council will continue to aim to maintain its level of general balances when it sets its revenue budget each year now that a prudent level of balances has been achieved;

c) seek to identify annual efficiency savings through business process improvement, shared service initiatives, service best value reviews and benchmarking and strategic partnering opportunities within and across county borders;

d) review the appropriateness of service delivery between the Council, parishes and other partners;

e) increase existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate; and

f) within Government guidelines, set a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to deliver the Council's policies and objectives.

Capital

11.4 When considering its capital investment, the Council will:

- a) maximise the generation of capital receipts and grants to support its planned investment programmes;
- b) enhance its capital investment by applying specific grants and contributions, capital receipts, earmarked reserves and revenue contributions, with any balance being met by external borrowing;
- c) not recognise capital receipts until there is certainty that the receipt will materialise, and will not be earmarked against specific developments without express Cabinet approval;
- d) allocate its capital resources in line with its Capital Strategy and Asset Management Plan whilst recognising that other priorities may emerge that may require those plans to be amended and resources to be diverted;
- e) annually review and prioritise capital schemes in accordance with Council objectives having regard to:
 - the business case for any given project; asset management planning; and
 - affordability in line with the application of the Prudential Code.

Balances and Reserves

11.5 In relation to its balances and earmarked reserves, the Council will:

- each year, maintain the level of General Fund balances at around 15% of its budgeted net expenditure. This would lead the Council to maintain a General Fund balance around the £2m mark.
- have regard to the financial risks surrounding the budget planning process, including those associated with the structural deficit, inflationary pressures, interest rates, partnerships, the treatment of savings, new burdens and demand led expenditure.
- review its earmarked reserves, which have been established to meet known or predicted liabilities, to ensure that the level of those reserves are still appropriate; and
- return reserve balances no longer required to the General Fund as appropriate.

Treasury Management and Investment

11.6 The Council will:

- a) having regard to risk, maximise investment income and minimise borrowing costs within the overall framework set out in the Council's annual Treasury Management and Investment Strategy; and
- b) secure the stability of the Council's longer term financial position rather than seeking to make short-term one-off gains which may lead to higher costs in the long term.

c) having regard to risk, seek to diversify its investment portfolio; maximise investment income; and deliver economic development objectives through the Asset Investment Strategy (in development).

12 OTHER CONSIDERATIONS

12.1 The Council's spending will have regard to:

a) the base budget position for the current financial year, adjusted for in year grant changes;

b) the Council's medium term priorities;

c) the refocusing of service expenditure through transactional, shared services and other efficiencies to support the achievement of its medium term priorities and satisfy Government funding changes;

d) demographic and welfare changes;

e) consultation outcomes; and

f) fiscal matters including:

- price inflation
- the effect on the level of General Fund balances and reserves
- the impact of any changes to the capital programme on the potential costs of borrowing
- triennial revaluation of the pension fund
- ongoing commitments, arising in part, from initiatives that have previously been funded from specific grants
- achieving budgeted savings from outsourcing, shared services and service reviews
- the likely passporting of some Government departmental savings targets to councils

RISKS	LIKELIHOOD (HIGH), (MEDIUM), L)(LOW)	LIKELIHOOD (HIGH), (MEDIUM),) (LOW)	MITIGATING ACTIONS
The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.	L	H	Continually monitor and refine the strategy in line with changing influences. Update Corporate Management Team and Cabinet.
Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.	L	H	Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.
Government is continuously reducing its departmental spending budget. Failure to respond to these funding pressures may adversely impact on the Council's ability to service delivery.	H	H	Take advantage of the Council's growth opportunities to reduce dependency on government funding. Align service delivery to funding levels, improve exist strategy to minimise risk.
Budget pressures arising from housing and economic growth and other demographic changes.	H	H	Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.
Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.	H	H	Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.
Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.	H	H	Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/

			key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.
Budget pressures from demand led services and income variances reflecting the wider economy.	M	M	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	H	M	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	L	L	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
The Council has entered into a number of strategic partnerships and contracts and is therefore susceptible to price changes.	M	H	Effective negotiation, sound governance arrangements and regular reviews of performance and partnership risks.
There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.	L	H	Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation, and review any external auditor comments.
Loss of key skills, resources and expertise.	M	M	Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.
Changes of responsibility from Government can adversely impact on service priorities and objectives.	L	L	Sound system of service and financial planning in place. Lobby as appropriate.
Loss of reputation if unforeseen resource constraints result in unplanned service reductions.	L	H	Have in place strong governance and risk management discipline followed by identification and implementation of robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.

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Report To:	Cabinet
Date:	1 July 2019
Report Title:	Financial Procedure Rules
Report of:	Homira Javadi, Chief Finance Officer
Cabinet member	Councillor Phil Davis (Portfolio Holder for Finance)
Ward(s) Affected:	All
Purpose of report:	To present to Cabinet updated Financial Procedure Rules, and seek comment on them.
Decision type:	Budget and policy framework
Officer recommendation(s):	Cabinet are asked to review the draft Financial Procedure Rules in advance of them being submitted to Full Council for approval.
Reasons for recommendations:	It is a duty of the Chief Finance Officer (CFO) to maintain an up to date set of Financial Procedure Rules to ensure the Council has effective governance of finances in place.
Contact Officer(s)	Name: Homira Javadi Post title: Chief Finance Officer E mail: Homira.Javadi@lewes-eastbourne.gov.uk Telephone number: 01273 085512

1 Introduction

- 1.1** Lewes District Council exercises its powers and duties in accordance with the law and its Constitution. Part 4 of the Constitution of the Council sets out the Financial Procedure Rules of the Council. These Rules have been the subject of a number of incremental updates over recent years most recently in July 2014. Now that Lewes District Council and Eastbourne Borough Council are working very closely together it is timely that these rules are harmonized between the two councils and updated to reflect best practice.
- 1.2** The remit of the Audit and Standards Committee sets out that it is responsible for exercising the powers to maintain an overview of the Council's constitution in terms of contract procedure rules, financial regulations, and codes of conduct and behaviour. A report on the Financial Procedure Rules will therefore also be presented to the Audit and Standards Committee at its 16 July meeting, prior to being submitted to Full Council for approval.

2 Structure of the draft updated Financial Procedure Rules

- 2.1** Good practice and legislation have informed the draft update, including The Role of The Chief Finance Officer (CFO) in Local Government (CIPFA February 2016) and Section 114 of the Local Government Finance Act 1988. The Key elements of the structure of the draft update Financial Procedure Rules is set out as follows:

- Introduction (Role of the CFO, a summary of Financial Procedure Rules and responsibilities to the Council, responsibilities of Personal, the CFO, Directors/ Assistant Directors and Heads of Service)
- Financial Planning (This sets out the procedures and responsibilities for budgeting and maintenance of reserves)
- Financial Management (This sets out the procedures and responsibilities for managing income and expenditure)
- Financial Accounting (This sets out the procedures and responsibilities for accounting policies, accounting records and returns and the statement of accounts).
- Control of Resources (This sets out the procedures and responsibilities for internal controls, audit requirements (both internal and external audit), preventing fraud and corruption, assets and treasury management, banking and petty cash.
- Financial Systems and Procedures (This sets out the procedures and responsibilities for systems, security of income and expenditure, taxation and trading accounts and business units (inkling Local Authority Trading Companies).
- External Arrangements (This sets out the procedures and responsibilities for partnerships, external funding and working for third parties)).

3 Financial Appraisal

- 3.1** There are no financial implications arising from the recommendations in this report other than those already contained within existing budgets.

4 Legal Implications

- 4.1** There are no direct legal implications arising from this report.

5 Risk Management Implications

- 5.1** If the Council does not have up to date Financial Procedure Rules reviewed and approved by Councillors, it will not be able to demonstrate that it has in place adequate means to safeguard Council assets and services, and could be subject to criticism from the Council's external auditor or the public.

6 Equality analysis

- 6.1** An equalities impact assessment is not considered necessary because the report is for information only and involves no key decisions.

7 Background Papers

The Constitution of Lewes District Council.

<https://www.lewes-eastbourne.gov.uk/about-the-councils/constitutions/>

8 Appendices

- 8.1** Appendix 1 – Lewes District Council Draft Financial Procedure Rules.

LEWES DISTRICT COUNCIL

DRAFT FINANCIAL PROCEDURE RULES

JULY 2019

1. INTRODUCTION

1.1 Role of the Chief Finance Officer (CFO)

- 1.1.1. Financial Procedure Rules are designed to maintain an acceptable standard of financial administration. They must be available to and followed by all Officers, Members and agents acting for the Council. Together with Standing Orders they regulate the conduct of the Council's business.
- 1.1.2. Section 151 of the Local Government Act 1972 requires every local authority "to make arrangement for the proper administration of their financial affairs and ensure that one of their officers has responsibility for the administration of those affairs". The officer designated by the Council as having the statutory responsibility set out in Section 151 is the Chief Finance Officer and the Deputy Chief Finance Officer is the designated deputy.
- 1.1.3. The Chartered Institute of Public Finance and Accounting (CIPFA) "Statement on the Role of the Chief Financial Officer (CFO) in Local Government 2016" defines the role of a CFO as:
 - a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and
 - must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- 1.1.4. To deliver these responsibilities the CFO:
 - must lead and direct a finance function that is resourced to be fit for purpose;and
 - must be professionally qualified and suitably experienced.

1.2 Financial Procedure Rules

- 1.2.1 The Financial Procedure Rules provide the framework for the financial administration of the Council with a view to ensuring that financial matters are conducted in a sound and proper manner, constitute value for money and minimise the risk of legal challenge. Financial Procedure Rules are not intended to constitute a set of detailed rules to respond to every contingency.

- 1.2.2. All financial decisions and decisions with financial implications must have regard to proper financial control. Any doubt as to the appropriateness of a financial proposal or correctness of a financial action must be clarified in advance of the decision or action with the CFO.
- 1.2.3. Detailed procedure notes and other financial instructions may be issued from time to time by the CFO, where assistance is needed with the interpretation of Financial Procedure Rules.
- 1.2.4. Failure to observe Financial Procedure Rules (including any supplementary procedure notes and financial instructions), may result in action under the Council's disciplinary procedures.
- 1.2.5. These Financial Procedure Rules should be read in conjunction with the Contract Procedure Rules and the Scheme of Delegation.
- 1.2.6. The CFO is responsible for maintaining a continuous review of the Financial Procedure Rules and submitting any additions or changes necessary to the Council for approval. An annual review shall be undertaken.
- 1.2.7. The CFO is also responsible for reporting, where appropriate, breaches of the Financial Procedure Rules to the Council and/or to the Cabinet. The CFO is authorised to temporarily suspend Financial Procedure Rules in exceptional circumstances, and where such a suspension is authorised, a written record shall be kept of the reasons for this.
- 1.2.8. Directors, Assistant Directors and Heads of Service are responsible for ensuring that all staff in their Directorates/Services are aware of the existence and content of the Financial Procedure Rules and that they comply with them.

1.3. Responsibilities

To the Council

- 1.3.1 Councillors and employees of the Council are responsible for ensuring that they use the resources and assets entrusted to them in a responsible and lawful manner. They should strive to achieve value for money and avoid legal challenge to the Council.
- 1.3.2. These responsibilities apply equally to councillors and employees when representing the Council on outside bodies.

Personal

- 1.3.3. Any person charged with the use or care of Council resources and assets should make themselves aware of the Council's requirements under the Financial Procedure Rules. If anyone is in any doubt as to their obligations, then they should seek advice. Unresolved questions of interpretation should be referred to the CFO.

- 1.3.4. All employees must report immediately to their manager, supervisor or other responsible senior Officer any illegality, impropriety, serious breach of procedure or serious deficiency in the provision of services that they suspect or become aware of. Employees are able to do this without fear of recrimination providing they act in good faith via the Council's Whistle Blowing Policy. Compliance with the Council's Anti-Fraud and Corruption Strategy and the Code of Conduct for Officers is mandatory for all Officers.

Chief Finance Officer

- 1.3.5. Section 114 of the Local Government Finance Act 1988 requires the CFO to report to Council, any of its committees, or any person holding any office or employment with the Council:

- Has made, or is about to make, a decision which involves, or would involve, the authority incurring unlawful expenditure;
- Has taken, or is about to take, unlawful action which has resulted, or would result, in a loss or deficiency to the Council; or
- Is about to make an unlawful entry in the Council's accounts.

- 1.3.6. Section 114 of the 1988 Act also requires:

- The CFO to nominate a properly qualified member of staff to deputise should they be unable to perform the duties under section 114 personally; and
- The Council to provide the CFO with sufficient staff, accommodation and other resources, as are in his/her opinion sufficient to carry out his/her duties under Section 114.

- 1.3.7. The CFO has a range of general responsibilities, which underpin an overriding responsibility to ensure the proper administration of the financial affairs of the Council. These include:

- Setting financial management standards and to monitor compliance with them;
- Ensuring proper professional practices are adhered to, and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council;
- Advising on the key strategic controls necessary to secure sound financial management; and
- Ensuring that financial information is available to enable accurate and timely monitoring and reporting of financial and non-financial performance indicators.

Directors/ Assistant Directors and Heads of Service

- 1.3.8. Directors/ Assistant Directors and Heads of Service are responsible for ensuring that the Financial Procedure Rules are observed throughout all areas under their control and shall:
- Provide the CFO with such information and explanations as the CFO feels is necessary to meet their obligations under the Financial Procedure Rules;
 - Consult with the CFO and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred;
 - Ensure that Cabinet Councillors are advised of the financial implications of all significant proposals and that the financial implications have been agreed by the CFO;
 - Inform the CFO of failures of financial control resulting in additional expenditure or liability, or loss of income or assets;
 - Wherever any matter arises which may involve irregularities in financial transactions consult with the CFO and, if a serious irregularity is confirmed, the matter shall be reported to the Chief Executive, appropriate Cabinet Member and Assistant Director HR and Transformation; and
 - Ensure the legality of their Directorate/Service's actions.
- 1.3.9. Directors/ Assistant Directors and Heads of Service are also responsible for:
- Promoting the financial management standards set by the CFO in their departments and to monitor adherence to the standards and practices, liaising as necessary with the CFO; and
 - Promoting sound financial practices in relation to the standards, performance and development of staff in their service areas.

2. FINANCIAL PLANNING

2.1. Budgeting

a) Budget Format

The budget format determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets limits at which funds may be reallocated.

- 2.1.1. Advise Cabinet on the format and content of the budget to be approved by Council.

Directors/Assistant Directors and Heads of Service

- 2.1.2. Comply with budgetary guidance provided by CFO.

b) Budget and Medium Term Planning

The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighted priorities. The budget is the financial expression of the Council's plans and policies. The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for a Council to budget for a deficit. Medium-term planning involves a cycle in which managers develop their own plans in conjunction with the CFO. As each year passes, another future year will be added to the Medium-Term Financial Strategy (MTFS). This ensures that the Council is always preparing for events in advance.

CFO Responsibilities

- 2.1.3. Prepare and submit reports on revenue budget forecasts to Cabinet, including resource constraints set by Government. Reports should take account of medium-term forecasts, where appropriate.
- 2.1.4. Determine detailed form of revenue budgets and the methods for preparation, consistent with the budget approved by Council, and after consultation with Cabinet, Directors/Assistant Directors and Heads of Service.
- 2.1.5. Prepare and submit reports to Cabinet on aggregate spending plans of service areas and on the resources available to fund them, identifying, where appropriate, implications for the level of taxation to be levied.
- 2.1.6. Advise on the medium-term implications of spending decisions and alternative options.
- 2.1.7. Work with Directors/Assistant Directors and Heads of Service, and all Council Officers, to identify opportunities to improve economy, efficiency and effectiveness, encouraging good practice financial appraisals of development or savings options, and in developing the financial aspects of service planning.
- 2.1.8. Advise Council on Cabinet proposals in accordance with responsibilities under Section 151 of the Local Government Act 1972.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 2.1.9. Prepare detailed draft revenue budgets in consultation with the CFO, for submission to Cabinet and approval by Council.

- 2.1.10. Integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 2.1.11. When drawing up draft revenue budgets, have regard to spending/income patterns and pressures, volatility to external influences, legal requirements, policy requirements, initiatives already underway and external grants and contributions.

c) Capital Programme

Capital expenditure involves acquiring or enhancing fixed assets with long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

CFO Responsibilities

- 2.1.12. Prepare capital budgets jointly with Directors/ Assistant Directors and Heads of Service and report them to Cabinet for approval. The Cabinet will make recommendations on the capital budgets and on any associated financing requirements to Council. Cabinet Member approval is required where a Director/ Assistant Director and Head of Service proposes to bid for or exercise additional borrowing, not anticipated in the Capital Programme (extra borrowing will create future commitments to financing costs).
- 2.1.13. Prepare and submit reports to Cabinet on projected income, expenditure and resources compared with approved budgets.
- 2.1.14. Issue guidance on capital schemes and controls e.g. revenue costs, project appraisal techniques. The definition of capital will be determined by the CFO, having regard to government regulations and accounting requirements.
- 2.1.16. Obtain Cabinet authorisation for individual schemes where estimated expenditure exceeds Capital Programme provision by more than 10% or £50,000 whichever is the lower (subject to minimum overspend of £5,000).

Directors/ Assistant Directors and Heads of Service Responsibilities

- 2.1.17. Comply with guidance on capital projects and controls issued by CFO.
- 2.1.18. Develop and implement asset management plans in conjunction with CFO.
- 2.1.19. Ensure that all capital projects have undergone a robust appraisal which has been approved by Financial and Legal Services, before being presented and discussed by the appropriate management group.

- 2.1.20. Prepare regular reports reviewing Capital Programme provisions for their services, and prepare a quarterly return of estimated final costs of schemes in the approved Capital Programme for submission to CFO.
- 2.1.21. Ensure adequate records are maintained for all capital contracts.
- 2.1.22. In consultation with the CFO, accelerate the progress of a scheme by deferring the start of another scheme in that year's programme or, if delays are occurring generally, may bring forward a scheme programmed to start in a later year.
- 2.1.23. Proceed with projects only when there is adequate provision in the Capital Programme, following Cabinet or Council approval, and with the agreement of the CFO where required. Cabinet can approve projects up to a cumulative value of £500,000 (General Fund) and £500,000 (Housing Revenue Account) in any one financial year. Projects that breach the £500,000 limits – either alone or cumulatively – require Council approval.
- 2.1.24. Prepare and submit reports, jointly with the CFO, to Cabinet, of any variation in contract costs greater than approved limits. The Cabinet may meet cost increases of up to 5% of the project by virement from identified savings arising from other projects within the capital programme.
- 2.1.25. Prepare and submit reports, jointly with the CFO, to Cabinet on completion of schemes where the final expenditure varies from the approved budget by more or less than 10% or £50,000 whichever is the lower (subject to minimum overspend/underspend of £5,000).
- 2.1.26. Ensure credit arrangements, such as leasing agreements, are not entered into without prior CFO approval, who will need to undertake an assessment of the type of lease arrangement being entered into and, if applicable, approval of the scheme through the Capital Programme.
- 2.1.27. Consult with the CFO and seek Cabinet approval where Director/ Assistant Director and Head of Service proposes to bid for Government approvals to support expenditure that has not been included in current year's Capital Programme.

2.2. Maintenance of Reserves

The Council must decide the minimum level of General Reserves it wishes to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. There are also reserves earmarked for specific purposes.

- 2.2.1. To advise Cabinet and/or Council on prudent levels of reserves for the Council, and to take account of the advice of CIPFA in this matter.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 2.2.2. To ensure that reserves are used only for the purposes for which they were intended.

3. FINANCIAL MANAGEMENT

3.1. Managing Income and Expenditure

a) Budget Monitoring and Control

Proper budget management ensures that, once the budget has been approved by Council, allocated resources are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account, managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budget targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual revenue limit, approved when setting the annual budget. To ensure that the Council does not overspend in total, each service is required to manage its own income and expenditure within the budget allocated to it. For the purposes of budgetary control by managers, a budget will usually be the planned income and expenditure excluding support and capital charges, for a Department.

CFO Responsibilities

- 3.1.1. Submit reports to Cabinet and Council, in consultation with the relevant Director/ Assistant Director and Head of Service, where a Director/ Assistant Director and Head of Service's expenditure and resources are significantly outside the approved budgets under their control.
- 3.1.2. Prepare and submit quarterly reports on the Council's projected income and expenditure compared with the budget to the Cabinet.
- 3.1.3. Establish an appropriate framework of budgetary management and control that ensures that:
- Budget management is exercised within the approved budget unless Cabinet approves a supplementary estimate;
 - Each Director/Assistant Director and Head of Service has timely information on income and expenditure on each budget which is sufficiently detailed to enable managers to monitor their budgetary responsibilities;

- As a minimum, quarterly updates are held between a Head of Service, budget holder and their Finance representative;
- Expenditure is committed only against the approved budget cost centre;
- All Officers responsible for income and expenditure, comply with the relevant guidance and the Financial Procedure Rules;
- Each cost centre has a single named manager, designated by the relevant Director/Assistant Director and Head of Service. As a general principle, budgetary responsibility should be aligned as closely as possible to the decision-making processes that commit expenditure; and
- Significant variances from approved budget are investigated and reported by budget holders monthly and advised to the Strategic Management Team and Cabinet.

3.1.4. Administer the Council's Scheme of Virement (refer to subsection b) below).

Directors/ Assistant Directors and Heads of Service Responsibilities

- 3.1.5. Consult with CFO on any matter which is liable materially to affect the finances of the Council before any provision or other commitment is incurred and before reporting to Members.
- 3.1.6. Maintain budgetary control within their services, in adherence to the principles above, and to ensure that all income and expenditure is properly recorded and accounted for.
- 3.1.7. Ensure that an accountable budget holder is identified for each item of income and expenditure under the control of the Director/ Assistant Director and Head of Service (grouped together in a series of department codes). Budget responsibility should be aligned as closely as possible to the decision-making that commits the expenditure.
- 3.1.8. Ensure that spending remains within the service's overall budget limit, and that individual budget heads are not overspent, by monitoring and taking appropriate corrective action where significant variations from the approved budget are forecast and to report these to the CFO. This regulation shall also apply to any action or decision, which will give rise to a reduction in income.
- 3.1.9. Ensure that a monitoring process is in place to review performance levels in conjunction with the budget and is operating effectively within the guidelines set down by the CFO.
- 3.1.10. Obtain prior approval by Council or Cabinet (as appropriate) for new proposals outside of the budget and policy framework, of whatever amount, that:

- Create financial commitments in the current year and future years (Cabinet approval limit up to £500,000 cumulative in a single financial year individually for both General Fund and HRA , Council approval for higher amounts).
- Change existing policies, initiate new policies or cease existing policies; and
- Materially extends or reduces Council services.

3.1.11. Ensure compliance with Scheme of Virement (refer to subsection b) below).

3.1.12. Consult with the relevant Director/ Assistant Director and Head of Service, where it appears that a budget proposal, including a virement proposal, may impact on another service area or another Director/ Assistant Director or Head of Service's service activity, prior to any action being taken.

b) Virement

A virement is the transfer between budgets that enables Cabinet, Directors, Assistant Directors and Heads of Service and their staff, to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the Council, and therefore to optimise the use of resources.

3.1.13. The Scheme of Virement is administered by the CFO within guidelines set by Council and any variation from the Scheme requires Council approval.

3.1.14. Virement does not create additional overall budget liability and should not be used to create additional budget demand in future years.

3.1.15. Virement is not allowed:

- From capital financing charges, interest credits, council tax and housing benefit payments and projects financed by external grants and contributions, corporate finance costs (e.g. bank charges), precepts etc. or internal recharges (e.g. departmental support service recharges); or
- For a transfer of resources between funds or Capital projects.

3.1.16. Virement is only allowed from employee costs with the approval of the CFO and after consideration of the overall budget position on employees, since the budget anticipates savings on employee budgets from natural staff turnover.

CFO Responsibilities

3.1.17. Prepare, jointly, with the relevant Director/Assistant Director and Head of Service a report to Cabinet on proposed virements, where required under the Scheme.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 3.1.18. Directors/Assistant Directors and Heads of Service may exercise virement on budgets under their control for gross amounts up to £30,000 in total (cumulative within a single financial year), within Departmental budgets or between Departmental budgets within the same Service budget (any combination thereof), following the approval of the CFO and subject to the conditions in paragraphs 3.1.19 to 3.1.22 below.
- 3.1.19. Amounts greater than £30,000 require Portfolio Holder approval, following a joint report by the CFO and the Director/Assistant Director and Head of Service, which must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial year. Each Cabinet Member has a cumulative limit of £250,000 per financial year.
- 3.1.20. Amounts greater than £250,000 require Cabinet approval. The Cabinet has a cumulative limit of £500,000 per financial year. Amounts greater than £500,000 require Council approval.
- 3.1.21. Prior Cabinet approval is required for any virement where it is proposed to:
- vire between budgets of different accountable Cabinet Members; and
 - vire between budgets managed by different Directors/ Assistant Directors and Heads of Service.
- 3.1.22. Virements relating to a specific financial year should not be made after 31st March in that year.
- 3.1.23. Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:
- The amount is used in accordance with the purposes for which it has been established; and
 - Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet.

c) Year-End Balances

The treatment of year-end balances is administered by the CFO within guidelines set by the Council. The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward.

- 3.1.24. The Scheme of Carry-Forwards is administered by the CFO within guidelines set by Council and any variation from the Scheme requires Council approval.

- 3.1.25. The rules cover arrangements for transferring resources between accounting years (i.e. carry-forwards).

CFO Responsibilities

- 3.1.26. Administer the Scheme of Carry-Forwards within guidelines approved by Council:
- Underspent Capital budgets at year-end will be carried forward in the Capital Programme automatically unless no longer required
 - Underspent Revenue budgets up to £30,000 on individual budgets may be carried forward with CFO approval
 - Underspent Revenue budgets in excess of £30,000 on individual budgets may be carried forward with Cabinet approval
 - All underspent Revenue budgets approved to be carried forward will be retained in an earmarked reserve.
- 3.1.27. Report jointly with relevant Director/Assistant Director and Head of Service on all material overspends and underspends on service budgets carried forward to the Cabinet and to Council.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 3.1.28. Underspends on service budgets up to £30,000 under the control of the Director/Assistant Director and Head of Service may be carried forward with prior CFO approval. Underspends over £30,000 require Cabinet approval.
- 3.1.29. Take account of Capital underspends carried forward into the following years Capital Programme.

d) Emergency Expenditure

<p>The Council needs a procedure in place for meeting immediate needs if an emergency situation arises in the district.</p>
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- 3.1.30. The Chief Executive and CFO shall have authority to approve expenditure on items essential to meet immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972, subject to a subsequent report to Cabinet and/or Council depending on whether or not the expenditure can be met within the current budget framework.
- 3.1.31. The Leader or Deputy Leader (having received report from Chief Executive and CFO), shall have power to incur expenditure essential to meet immediate needs created by an emergency, or which is referable to Section 138 of the Local Government Act 1972 (or subsequent legislation) which is not otherwise authorised, or where it is necessary in the Council interest to settle legal proceedings. A subsequent report shall be submitted to Cabinet

and/or Council, depending on whether or not the expenditure can be met within the current budget framework.

- 3.1.32. The CFO will ensure, retrospectively, the submission of a claim for reimbursement under the “Bellwin Scheme” for any eligible emergency costs incurred i.e. costs incurred on, or in connection with, immediate actions to safeguard life and property or to prevent suffering or severe inconvenience as a result of a disaster or emergency in the district. Grant is limited by Section 155 of the Local Government and Housing Act 1989 and local authorities are expected to have budgeted for a certain amount of emergency expenditure (the ‘threshold’).

4. FINANCIAL ACCOUNTING

4.1. Accounting Policies

The CFO is responsible for preparing the Council’s Statement of Accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) issued by (CIPFA/LASAAC), for each financial year.

CFO Responsibilities

- 4.1.1. Select suitable accounting policies and ensure they are applied consistently. Accounting policies are set out in the annual Statement of Accounts.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 4.1.2. Adhere to accounting policies, timetables and guidelines approved by the CFO.

4.2. Accounting Records

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for the stewardship of public resources. The Council has a statutory responsibility to prepare an annual Statement of Accounts that give a “true and fair view” of the financial position and transactions of the Council. The accounting records are subject to external audit. The audit provides assurance that the Statement of Accounts have been prepared properly, that proper accounting practices have been followed and that robust arrangements have been made for securing economy, efficiency and effectiveness in the use of Council resources.

CFO Responsibilities

- 4.2.1. Determine the accounting procedures and records for the Council. Where these are maintained outside of Financial Services, the CFO should consult the Director/Assistant Director and Head of Service concerned.
- 4.2.2. Arrange for the compilation of all accounts and accounting records under his or her direction.
- 4.2.3. Comply with the following principles when allocating accounting duties:
 - Separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them; and
 - Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 4.2.4. Ensure that claims for funds, including grants, are made by the due date.
- 4.2.5. Make proper arrangements for the audit of the Council's Statement of Accounts in accordance with the latest Accounts and Audit (England) Regulations.
- 4.2.6. Prepare and publish the Statement of Accounts for each financial year in accordance with the statutory timetable, and present audited Statements for approval by the Audit and Standards Committee before 31st July each year. Submit provisional outturn results for financial year to Cabinet as soon as practicable.
- 4.2.7. Ensure the retention of financial documents in accordance with the Council's Document Retention Policy.
- 4.2.8. Undertake or receive monthly reconciliations for all fundamental IT financial systems and sign off as evidence of CFO's review.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 4.2.9. Consult and obtain the approval of the CFO before making changes to accounting arrangements, records and procedures.
- 4.2.10. Comply with segregation of duties principles outlined in Paragraph 4.2.3 when allocating accounting duties.
- 4.2.11. Maintain records that provide a management trail, leading from income/expenditure source through to the accounting statements, and carry out regular monthly reconciliations of fundamental IT financial systems to the Council's corporate financial management information system.
- 4.2.12. Supply information required to enable the Statement of Accounts to be completed by the statutory deadline of 31st May each year and in accordance with guidelines issued by the CFO.

4.3. Statement of Accounts

The Council has a statutory responsibility to prepare its own Statement of Accounts, which give a “true and fair view” of the financial position and transactions of the Council.

The Audit & Standards Committee is responsible for approving the statutory annual Statement of Accounts.

CFO Responsibilities

- 4.3.1. Select suitable accounting policies and to apply them consistently.
- 4.3.2. Make judgements and estimates that are reasonable and prudent.
- 4.3.3. Ensure compliance the CIPFA/LASAAC Accounting Code of Practice.
- 4.3.4. Sign and date the Statement of Responsibilities with the Statement of Accounts, stating it gives a true and fair view of the financial position and transactions of the Council (including group financial statements where applicable) at the year ended 31st March.
- 4.3.5. Draw up the timetable for final accounts preparation and to advise Officers and external auditors accordingly.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 4.3.6. Comply with accounting guidance provided by the CFO and supply the CFO with information when required.

5. RISK MANAGEMENT AND CONTROL OF RESOURCES

5.1. Risk Management

All organisations, whether in the private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk Management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure its continued financial and organisational wellbeing. In essence it is an integral part of good business practice. Risk Management is concerned with evaluating the measures an organisation already has in place to manage perceived risks and then recommend the actions the organisation needs to take to control these risks effectively. The Audit and Governance Committee monitors the effective development and operation of Risk Management, and it is the overall responsibility of Cabinet to approve the Risk Management Strategy, and to promote a culture of risk management awareness throughout the Council.

CFO Responsibilities

- 5.1.1. Develop and maintain a Risk Management Strategy.
- 5.1.2. Develop and maintain a Risk Register.
- 5.1.3. Develop and promote a proactive and positive corporate Risk Management culture, including awareness and the implementation and maintenance of Risk Management controls.
- 5.1.4. Include all appropriate employees in suitable Fidelity Guarantee insurance cover.
- 5.1.5. Arrange suitable corporate insurance cover, through external insurance and internal funding, and negotiate claims for losses in consultation with other Officers, and partner organisations, where necessary.

Directors/Assistant Directors and Heads of Service Responsibilities

- 5.1.6. Promote a proactive and positive Risk Management culture within service area, including raising awareness and the implementation and maintenance of Risk Management controls.
- 5.1.7. Show due regard to advice from specialist Officers (e.g. health and safety) and review risks through the **Service Planning** process at least quarterly.
- 5.1.8. Promptly notify CFO of all significant new risks, properties, vehicles or other assets that require insurance and of any alterations affecting existing insurances and to provide information when requested.
- 5.1.9. Immediately notify CFO of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the CFO or the Council's insurers.
- 5.1.10. Consult with the CFO and the Assistant Director Legal and Democratic Services on the terms of any indemnity that the Council is requested (or has offered) to give.
- 5.1.11. Ensure that employees, or anyone covered by Council insurance, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

5.2. Internal Controls

The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives and to monitor compliance with statutory obligations.

The Council faces a wide range of financial, legal, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks and to protect the Council from the impact of uncertainties.

- 5.2.1. Assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- 5.2.2. Ensure an effective internal audit function is resourced and maintained.
- 5.2.3. Ensure that the Council has put in place effective arrangements for internal audit of the control environment and systems of internal control as required by professional standards and in line with CIPFA's Code of Practice.
- 5.2.4. Ensure an effective audit committee is developed and maintained.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 5.2.5. Ensure that external auditors are given access at all reasonable times to premises, human resources, documents and assets which the external auditors consider necessary for the purposes of their work.
- 5.2.6. Ensure that all records and systems are up to date and available for inspection.
- 5.2.7. Review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the CFO. Directors/ Assistant Directors and Heads of Service should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- 5.2.8. Ensure Officers have a clear understanding of the consequences of lack of control.

5.3. Audit Requirements

a) Internal Audit

The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. More specific requirements are set out in the Accounts and Audit Regulations 2015, which require the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Chief Executive

- 5.3.1. Ensure that the Chief Internal Auditor has direct access to and freedom to report in his or her own name and without fear or favour to the Chief Executive and the CFO, the Cabinet and the Audit & Standards Committee, all levels of management, Officers and elected Councillors. This should

include the ability to meet the Chair of the Audit & Standards Committee alone (outside of the Committee meeting) and External Auditors to discuss significant concerns that they may have over the adequacy and effectiveness of internal controls and risk management activities.

CFO Responsibilities

- 5.3.2. Implement appropriate measures to prevent and detect fraud and corruption and ensure that effective procedures are in place to investigate promptly any identified fraud or irregularity.
- 5.3.3. Report to Cabinet requesting additional funding where insufficient internal audit resources have been identified.

Chief Internal Auditor Responsibilities

- 5.3.4. Ensure that Internal Audit has unrestricted access to all information (including records, computer files, property and personnel) and activities undertaken by the Council, and those of partner organisations and third party service providers where contract terms include Internal Audit access rights.
- 5.3.5. Assisting the CFO in discharging their responsibilities under Section 151 of the Local Government Act 1972 in relation to internal controls.
- 5.3.6. Providing and maintaining an Internal Audit function which meets the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 5.3.7. Developing and delivering an Annual Audit Plan for the Council using a risk based methodology. Following consultation with the Chief Executive Officer, CFO and CMT, the Chief Internal Auditor will submit such plan to the Audit & Standards Committee for review and approval prior to the commencement of each financial year.
- 5.3.8. Providing an annual Internal Audit opinion, compliant with PSIAS requirements, which informs the Annual Governance Statement on how the Council's control environment, including risk management processes, accounting records, governance and value for money arrangements, established by management, are operating within the Council.
- 5.3.9. Issuing other reports which provide assurance to the Chief Executive, CFO, Monitoring Officer and the Strategic Management Team, and making recommendations for improvement.
- 5.3.10. Comply with any requests from the External Auditor or access to any information, files or working papers obtained or prepared during audit work that is required to discharge their responsibilities.
- 5.3.11. Reporting to the Chief Executive, CFO and the Audit and Standards Committee, if the Chief Internal Auditor concludes that resources are insufficient.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 5.3.12. Ensure that Internal Audit are given access at all reasonable times to premises, human resources, documents and assets that the auditors consider necessary for the purposes of their work.
- 5.3.13. Ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- 5.3.14. Consider and respond promptly to recommendations/actions in Internal Audit reports.
- 5.3.15. Ensure that agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- 5.3.16. Notify the Chief Internal Auditor immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of Council property, assets or resources. Pending investigation and reporting, the Director/ Assistant Director or Head of Service should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 5.3.17. Ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Chief Internal Auditor prior to implementation.

b) External Audit

The Local Audit and Accountability Act 2014 (“the Act”) sets out the framework for audit of local authorities. It replaces the provisions of the Audit Commission Act 1998 following the closure of the Audit Commission. The duties and responsibilities of external auditors are primarily set out in Part 5 of the Act and reflected in a Code of Audit Practice issued by the National Audit Office.

The Statement of Accounts is scrutinised by the external auditors, who must be satisfied that they give a “true and fair view” of the financial position and transactions of the Council (including any group financial statements where applicable) during the year and complies with all legal requirements.

CFO Responsibilities

- 5.3.18. Ensure that external auditors are given access at all reasonable times to premises, human resources, documents and assets that the external auditors consider necessary for the purposes of their work.
- 5.3.19. Ensure there is effective liaison between external and internal audit.
- 5.3.20. Work with the external auditor and advise Council, Cabinet and Directors/Assistant Directors and Heads of Service on their responsibilities in relation to external audit.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 5.3.21. Ensure that external auditors are given access at all reasonable times to premises, human resources, documents and assets which the external auditors consider necessary for the purposes of their work.
- 5.3.22. Ensure that all records and systems are up to date and available for inspection.

5.4. Preventing Fraud and Corruption

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

The Council's expectation of propriety and accountability is that Members and Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations, including partner organisations, suppliers, contractors and service providers with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.

Chief Executive Responsibilities

- 5.4.1. Maintain adequate and effective internal control arrangements.

CFO Responsibilities

- 5.4.2. Implement appropriate measures to prevent and detect fraud and corruption.

Chief Internal Auditor Responsibilities

- 5.4.3. Develop and maintain a comprehensive Anti-Money Laundering Strategy.
- 5.4.4. Develop and maintain a comprehensive Anti-Fraud and Corruption Strategy.
- 5.4.5. Report all suspected irregularities (as appropriate) to the Chief Executive, the CFO, and the Audit & Standards Committee.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 5.4.6. Ensure that all suspected irregularities are reported to the Chief Internal Auditor without delay.
- 5.4.7. Instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- 5.4.8. Ensure that where financial impropriety is discovered, the CFO and Chief Internal Auditor are informed as soon as possible, and where sufficient evidence exists to believe that a criminal offence may have been committed, this will be investigated by Counter Fraud Officers of the councils.

- 5.4.9. Maintain a Register of Interests' for both Councillors and Officers.

5.5. Assets

a) Security of Property

The Council holds assets in the form of property, vehicles, plant, software, equipment other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

CFO Responsibilities

- 5.5.1. Maintain an Asset Register in accordance with good practice for all fixed assets with a value in excess of £10,000. The function of the Asset Register is to provide the Council with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained.
- 5.5.2. Receive and process information required for accounting, costing and financial records from each Director/ Assistant Director and Head of Service.
- 5.5.3. Ensure that assets are valued in accordance with the Code issued by (CIPFA/LASAAC).
- 5.5.4. Issue guidelines on best practice ("Local Authority Assets: Disposal Guidance - DCLG March 2016") for asset disposals.
- 5.5.5. Ensure appropriate accounting entries are made to remove the value of asset disposals from the Council's records, including the proceeds of sale where appropriate.
- 5.5.6. (Independently) review and authorise proposed stock write-offs (including obsolete and surplus stock) submitted by Directors/ Assistant Directors Heads of Service, within predetermined limits. Values in excess of predetermined limits should be forwarded for approval by the Portfolio Holder for Finance and/or Cabinet as appropriate.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 5.5.7. Notify the CFO immediately of any additions/disposals/variations to the Asset Register. Any use of property by a service area or establishment, other than for direct service delivery, should be supported by documentation identifying terms, responsibilities and duration of use.
- 5.5.8. Arrange for the valuation of assets for accounting purposes to meet requirements specified by the CFO.

- 5.5.9. Recommend surplus land and buildings for sale to the Asset Management Group (AMG), followed by a joint report prepared by the relevant Director/ Assistant Director and Head of Service and the CFO to Cabinet.
- 5.5.10. Follow best practice guidelines for asset disposals, issued by the CFO.
- 5.5.11. Ensure prospective occupiers of Council land are not allowed to take possession or enter until a lease or agreement (in a form approved by the Director/ Assistant Director and Head of Service in consultation with the Assistant Director – Legal and Democratic Services) has been established as appropriate.
- 5.5.12. Ensure security of buildings and other assets, including vehicles, plant, equipment, furniture, stock, stores and other property, within service area. Consult CFO where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 5.5.13. Pass title deeds to Assistant Director - Legal and Democratic Services, for safe custody. The Head of Operations must keep a record of all properties owned by the Council, recording Portfolio, the purpose for which it is held, the location, the plan reference, purchase details, particulars of interest and rent payable, and particulars of tenancies granted.
- 5.5.14. Ensure that cash holdings on premises are kept within insurance limits (determined by CFO) and keys to safes and similar receptacles are carried on the person of those responsible at all times. Loss of any such keys must be reported to the CFO immediately.
- 5.5.15. Ensure all employees are aware of their personal responsibility to protect and retain the confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council.

Inventories

- 5.5.16. Maintain an Inventory List within service area, recording descriptions of any furniture, fittings, equipment, plant and machinery, with individual values of £75 or more. The Risk and Insurance Manager must be notified if the value of a single item exceeds £10,000.
- 5.5.17. Carry out annual check of all significant inventory items to verify location, condition and take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Portable items such as computers, cameras and video recorders should be identified with Council security markings.
- 5.5.18. Make sure that property is only used in the course of Council business, unless the Director/ Assistant Director and Head of Service concerned has given permission otherwise.

Stocks and Stores

- 5.5.19. Make appropriate arrangements for the care and custody of stocks and stores within service area.
- 5.5.20. Maintain stocks at reasonable levels and ensure regular (minimum quarterly) independent physical stock checks. Stock discrepancies should be immediately investigated and pursued to a satisfactory conclusion.
- 5.5.21. Recommend stock write-offs (including obsolete and surplus stock) by submitting proposal in writing to CFO (seeking advice from purchasing advisors where appropriate).

5.6. Treasury Management, Banking and Petty Cash

Millions of pounds pass through Councils' accounts each year. This has led to the establishment of CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" (the Code).

The Code aims to provide assurance that Council money is properly managed in a way that balances risk with return, with overriding consideration given to the security of capital sums.

Banking arrangements and petty cash should also be managed appropriately with key responsibilities confined to the CFO and a limited number of authorised individuals.

CFO Responsibilities

- 5.6.1. Undertaking borrowing and investment activities in full compliance with CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes". Any other lending or borrowing cannot be undertaken without the approval of Council, following consultation with the CFO.
- 5.6.2. Ensuring that all borrowing and investing activities are undertaken in the name of the Council (or nominee approved by Council) and detailed records/registers maintained and appropriate arrangements are made for the safe custody of all securities and title deeds.
- 5.6.3. Arranging and administering banking arrangements, including negotiate banking arrangements, opening accounts, signing Direct Debit mandates, ordering cheque books and arranging BACS payments.
- 5.6.4. Along with the Chief Executive, signing bank mandates authenticating the signatures of Officers designated as cheque signatories, and signatories for other instruments for the payment, collection or transfers of monies. All cheques must bear the signature of two authorised Officers of the Council and dispatched directly from the CFO (or his or her staff) to payees.

- 5.6.5. Making arrangements with the bank for the issue of corporate Purchasing Cards.
- 5.6.6. Developing, maintaining and disseminating a detailed Purchasing Card Policy, ensuring that all card holders sign their acceptance of its terms and conditions.
- 5.6.7. Developing and operating a Petty Cash Imprest system (including a set of CFO prescribed rules), which balances operational need with efficiency and appropriate cash control measures.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 5.6.8. Following instructions on banking and purchase cards issued by the CFO.
- 5.6.9. Utilising Purchasing Cards in accordance with the corporate Purchasing Card Policy. Cardholders must formally sign to indicate their acceptance of the Policy, prior to usage.
- 5.6.10. Ensure Trust Funds are held in the Council's name wherever possible. Officers acting as Trustees, due to their official position, must deposit securities etc. relating to the Trust with the CFO, unless the deed otherwise provides.
- 5.6.11. Ensure Trust Funds are operated within relevant legislation and the specific requirements for each Trust. Secure administration arrangements must be approved by the CFO.
- 5.6.12. Ensure employees within service area operate Petty Cash Imprest system in compliance with CFO prescribed rules.

6. FINANCIAL SYSTEMS AND PROCEDURES

Service areas have many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Service areas are increasingly reliant on ICT for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed, errors detected promptly and system reconciliations completed and evidenced monthly.

The CFO has a professional responsibility to ensure that Council financial systems are sound and should therefore be consulted at an early stage in the process prior to the implementation of any new developments or changes/upgrades to existing systems.

CFO Responsibilities

6.1.1. Make arrangements for the proper administration of the Council's financial affairs, including:

- Issuing advice, guidance and procedures for Officers and others acting on the Council's behalf
- Determining the accounting systems, form of accounts and supporting financial records
- Establishing arrangements for audit of the Council's financial affairs
- Approving any new financial systems to be introduced; and
- Approving any changes to be made to existing financial systems.

Directors/ Assistant Directors and Heads of Service Responsibilities

6.1.2. Comply with procedures and guidance issued by the CFO.

6.1.3. Ensure that accounting records are properly maintained and held securely.

6.1.4. Ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements set out in the approved Document Retention Policy.

6.1.5. Ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.

6.1.6. Incorporate appropriate controls to ensure that, where relevant:

- All input is genuine, complete, accurate, timely and not previously processed
- All processing is carried out in an accurate, complete and timely manner
- Output from the system is complete, accurate and timely; and
- Output is reconciled, at least monthly, to the Council's general ledger and signed off by the preparer and reviewer of the reconciliation.

6.1.7. Ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.

6.1.8. Ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.

6.1.9. Ensure systems are documented and Officers trained in operations.

- 6.1.10. Consult with CFO before changing existing financial systems or introducing new financial systems.
- 6.1.11. Establish a scheme of delegation identifying Officers authorised to act upon the Director/Assistant Director and Head of Service's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 6.1.12. Supply lists of authorised Officers, with specimen signatures and delegated limits, to the CFO, together with any subsequent variations.
- 6.1.13. Ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Where possible, back-up information should be retained in a secure location, preferably off site or at an alternative location within the building.
- 6.1.14. Ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- 6.1.15. Ensure relevant standards and guidelines for computer systems issued by Directors/Assistant Directors and Heads of Service are observed.
- 6.1.16. Ensure computer equipment and software is protected from loss and damage through theft, vandalism etc.
- 6.1.17. Comply with the copyright, designs and patents legislation. In particular, ensure that only software legally acquired and installed by the Council is used on its computers.

6.2. Income and Expenditure

a) Income

Income can be a vulnerable resource and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and properly banked. It is preferable to obtain income in advance of supplying goods or services as this improves cash flow and avoids the time and cost of administering debts.

CFO Responsibilities

- 6.2.1. Agree arrangements for the collection of income due to the Council and approve the procedures, systems and documentation for its collection.
- 6.2.2. Periodically issuing guidance on charging policy, including key principles on fees and charges (e.g. full cost recovery and benchmarking), taxation and inflationary assumptions

- 6.2.3. Order and supply to service areas receipt forms, books or tickets and similar items and satisfy themselves regarding control arrangements.
- 6.2.4. Agree the write-off of bad debts (in consultation with the relevant Director/ Assistant Director or Head of Service) up to £15,000 in value in each case and refer sums in excess of this limit, but up to £100,000, to the Cabinet Member for Resources for approval. Individual sums to be written off that exceed £100,000 require Cabinet approval.
- 6.2.5. Keep records of all sums written off and ensure appropriate accounting adjustments are made.
- 6.2.6. Ensure that refunds are not made for sums under £5.00, unless specifically requested by the individual.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 6.2.7. Establish charging policy for the supply of goods or services in accordance with guidance issued by the CFO, reviewing it regularly, in line with corporate policies.
- 6.2.8. Separate responsibility for identifying amounts due and responsibility for collection, as far as is practicable.
- 6.2.9. In consultation with the CFO, establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 6.2.10. Issue official receipts for all cash transactions (except where a legal document is the receipt for money received) and maintain other documentation for income collection where receipts are not required.
- 6.2.11. Ensure wherever practical that at least two employees are present when post is opened at a site where income is regularly received.
- 6.2.12. Securely hold receipts, tickets and other records of income in accordance with Document Retention Policy.
- 6.2.13. Lock away all cash to safeguard against loss or theft, and to ensure security of cash handling.
- 6.2.14. Ensure income is paid promptly and fully into Council bank account in the form in which it is received. Appropriate details should be recorded to provide a full audit trail. Money collected and deposited must be reconciled to bank account on a monthly basis (minimum).
- 6.2.15. Ensure income received is not used to cash personal cheques or make any other payments.
- 6.2.16. Supply CFO with details relating to work done, goods supplied, services rendered or other amounts due, to enable the CFO to record correctly the

sums due to the Council and to ensure accounts are sent out promptly. To do this, Directors/Assistant Directors and Heads of Service should use established debt recovery systems to monitor the recovery of income and flag up areas of concern to the CFO. Heads of Service have a responsibility to assist the CFO in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.

- 6.2.17. Keep a record of every transfer of money between employees of the Council. The receiving Officer must sign for the transfer and the transferor must retain a copy.
- 6.2.18. Recommend debts for write-off to the CFO and keep a record of all sums written off. Once raised, bona fide debts must not be cancelled, except by full payment or by formal write off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt, a waiver or reduction in charges.
- 6.2.19. Where delegated authority has been granted by the CFO, individuals can write-off bad debts up to their specified limit in each case (Note – delegated authority must be exercised in strict observance of 'separation of duties' principles; referred to above in Paragraph 6.2.8). Sums in excess of their limit must be referred to the CFO for approval, who in turn will seek Cabinet Member approval for write-off of bad debt exceeding £15,000 in line with Paragraph 6.2.4 above.
- 6.2.20. Notify CFO of outstanding income relating to the previous financial year as soon as possible after 31st March in line with timetable determined by the CFO, and not later than 10th April or nearest working day thereafter.

b) Ordering and paying for work, goods and services

Public money should be spent with demonstrable probity and in accordance with Council policies. Councils have a statutory duty to achieve best value, in part through economy and efficiency. Council procedures should help to ensure that services obtain value for money from their procurement arrangements. These procedures should be read in conjunction with the Council's Contract Procedure Rules.

- 6.2.21. Officers and Members engaged in contractual or procurement decisions on behalf of the Council have a responsibility to declare links or personal interests that they may have with purchasers, suppliers and/or contractors, in accordance with appropriate codes of conduct.
- 6.2.22. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments such as rent or rates, corporate purchasing card purchases, petty cash purchases or

other exceptions specified by the CFO. Any order placed by telephone shall be confirmed by the issue of an official order within 5 working days.

- 6.2.23. Purchase orders must conform to guidelines approved by Council for the procurement of goods, services and suppliers. Standard terms and conditions must not be varied without the prior CFO approval.
- 6.2.24. The normal payment method will be by BACS payment direct to the customer, drawn on the Council bank account, approved by the CFO. Direct debits will require prior CFO agreement, or a designated bank signatory, before any agreement is signed. Purchasing card payments may be made by Officers preauthorised by the CFO and identified on the Authorised Signatory List. VAT receipts for all goods must accompany monthly statements submitted to the CFO. Spending limits will be set/approved the CFO.
- 6.2.25. Official orders must not be raised for personal or private purchases, nor must personal or private use be made of Council contracts.

CFO Responsibilities

- 6.2.26. Ensure Council financial systems and procedures are sound and properly administered, approving changes to existing systems (whether new systems or upgrades) before implementation.
- 6.2.27. Approve the form of official orders and associated terms and conditions.
- 6.2.28. Make payment from Council funds on Directors/Assistant Directors and Heads of Service authorisations that expenditure has been duly incurred in accordance with Financial Procedure Rules.
- 6.2.29. Make payment (irrespective of budget provision) where it is required by statute or court order.
- 6.2.30. Arrange for the keeping of a Contract Register where contracts provide for payment by instalments.
- 6.2.31. Make payments to contractors upon receipt of properly completed certificates from Directors/Assistant Directors and Heads of Service. Such payments must be entered and appropriately cross referenced in the Contract Register.
- 6.2.32. Provide advice and encouragement on making payments by the most economical means.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 6.2.33. The Assistant Director - Legal and Democratic Services will determine the form of contract to be used for building, constructional or engineering work.
- 6.2.34. Ensure that all contract variations are in writing and agreed before work on the variation commences.

- 6.2.35. Refer claims from contractors on matters not clearly within existing contract terms to Assistant Director - Legal and Democratic for consideration of Council liability and to the CFO for financial consideration, before settlement is reached.
- 6.2.36. Take appropriate action, in consultation with Assistant Director - Legal and Democratic, in respect of any claim for liquidated and ascertained damages where contract completion is delayed. This provision will not apply if there are reasons qualifying for an extension.
- 6.2.37. Ensure that unique Cafi generated official orders are used for all goods and services, other than the exceptions specified in Paragraph 6.2.22.
- 6.2.38. Ensure orders are only used for goods and services provided to the relevant service area. Members and Officers must not use official orders to obtain goods or services for private use. Neither may Officers place orders for goods or services for personal use using the Council's e-procurement system.
- 6.2.39. Ensure that only staff authorised by Directors/Assistant Directors and Heads of Service authorise orders and maintain an up-to-date list of such authorised staff, including specimen signatures, identifying the limits of their authority. The authoriser of the order should be satisfied that works, goods, supplies and services ordered are appropriate and needed, that there is adequate budgetary provision and that Contract Procedure Rules have been followed.
- 6.2.40. Ensure that works, goods, supplies and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different Officer from the authoriser of the order. Entries should then be made in inventories or stores records where appropriate.
- 6.2.41. Ensure payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment.
- 6.2.42. Ensure a minimum of two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different Officer from the person who signed the order, and in every case, a different Officer from the person checking a written invoice, should authorise invoices.
- 6.2.43. Periodically review a list of their staff approved to authorise invoices. New authorising Officers, together with specimen signatures, and details of their authority limits, must be forwarded to the CFO.
- 6.2.44. Ensure that payments are not made on photocopied or faxed invoices, statements or other documents. Any instances of these being rendered should be reported to the Chief Internal Auditor. In exceptional circumstances, where payment is made against such a document and where

properly authenticated, the transaction must be processed in accordance with CFO guidance.

- 6.2.45. Encourage suppliers to accept payment by the most economical means for the Council. Payments made by Direct Debit must have the prior approval of the CFO or an authorised bank signatory.
- 6.2.46. Ensure service area achieves value for money by taking appropriate steps to obtain competitive prices for works, goods, supplies and services of appropriate quality, in line with best practice guidelines issued by the CFO, consistent with best value principles and contained within the Contract Procedure Rules.
- 6.2.47. Utilise the Procurement Team in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with Contract Procedure Rules.
- 6.2.48. Ensure that employees are aware of the Code of Conduct (Part 5 of the Constitution).
- 6.2.49. Ensure that loans, leases or rental arrangements are not entered into without prior CFO agreement. This is to protect the Council against entering into unapproved credit arrangements that might adversely affect financial standing and to ensure that value for money is being obtained.
- 6.2.50. Notify CFO of outstanding committed expenditure relating to previous financial year as soon as possible after 31st March in line with timetable determined by CFO and, in any case, not later than 10th April.
- 6.2.51. With regard to construction contracts and alterations to buildings and for civil engineering works, to document and agree with CFO the systems and procedures to be adopted in relation to all financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedure for validation of subcontractors' tax status.
- 6.2.52. Notify the CFO immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 6.2.53. Ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the Document Retention Policy.

c) Payments to employees and Members

Staff costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' Contract of Employment. It is also important that all payments are accurately and completely recorded and accounted for and that Member allowances are authorised in accordance with the scheme adopted by Council.

CFO Responsibilities

- 6.2.54. Ensure appropriate arrangements are in place to control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by them, on the due date.
- 6.2.55. Record and make arrangements for the accurate and timely payment of tax, pension contributions and other deductions and to complete all relevant HMRC returns.
- 6.2.56. Make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- 6.2.57. Make arrangements for paying Members travel or other allowances upon receiving the prescribed documentation, duly completed and authorised.
- 6.2.58. Provide advice and encouragement to secure payment of salaries by the most economical means.
- 6.2.59. Ensure that there are adequate arrangements for administering pension matters on a day-to-day basis.
- 6.2.60. Act as an advisor on areas such as taxation and monitoring of the East Sussex County Council Pension Fund, as appropriate.

Directors/Assistant Directors and Heads of Service Responsibilities

- 6.2.61. Ensure that appointments are made in accordance with the regulations of the Council and the approved Establishment List, grades and scale of pay and that adequate budget provision is available.
- 6.2.62. Notify the Head of Human Resources of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Head of Human Resources.
- 6.2.63. Ensure that adequate and effective systems and procedures are operated, so that:
 - Payments are only authorised to bona fide employees
 - Payments are only made where there is a valid entitlement
 - Conditions and contracts of employment are correctly applied; and
 - Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 6.2.64. Provide and maintain an up-to-date list of the names of Officers authorised to complete and return records to the Head of Human Resources, together with specimen signatures, where appropriate. The CHRIS HR system should contain update lists of Human Resources Officers and Officers authorised to approve timesheets and claims.

- 6.2.65. Ensure that payroll transactions are processed only through the payroll system. Directors/Assistant Directors and Heads of Service should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis and take advice from the Head of Human Resources.
- 6.2.66. Approve travel and subsistence claims and other allowances, but only when they have been made on an approved travel expenses form and within three months of the travel or subsistence being incurred. Approval is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the Head of Human Resources is informed where appropriate.
- 6.2.67. Ensure that the Head of Human Resources is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- 6.2.68. Ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the Document Retention Policy.
- 6.2.69. The Head of Human Resources to act as an advisor to Directors/Assistant Directors and Heads of Service on areas such as employment status, National Insurance and Pension Contributions, as appropriate.
- 6.2.70. Ensure that the staffing budget is an accurate forecast of staffing levels in accordance with the approved Establishment List and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- 6.2.71. Ensure the Chief Executive (or the Officer delegated by them) has approved any changes in employment conditions where the full year cost of such changes would exceed £1,000.
- 6.2.72. Monitor staff activity to ensure adequate control over costs such as sickness, overtime, training and temporary staff.
- 6.2.73. Ensure that the staffing budget is not exceeded without prior authority from the CFO / Head of Human Resources and that it is managed to enable the agreed level of service to be provided.
- 6.2.74. Ensure that the Head of Human Resources and the CFO are immediately informed if the staffing budget is likely to be significantly overspent or underspent.

Member Responsibilities

- 6.2.75. Submit claims for Member travel and subsistence allowances on a monthly basis (or within three months of incurring the travel or subsistence) and, in any event, within one month of year end.

6.3 Taxation

The Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all Officers to be aware of their role. The creation and use of Local Authority Trading Companies (LATC's), has resulted in added Tax considerations, including Corporation Tax and 'different VAT rules'.

CFO Responsibilities

- 6.3.1. Complete Council VAT returns and annual Partial Exemption calculations in accordance with HMRC timescales.
- 6.3.2. Discharge Tax related responsibilities for Council-owned trading companies (LATCs), including all Corporation Tax and VAT duties and returns.
- 6.3.3. Provide details to the HMRC regarding the Construction Industry Scheme (CIS).
- 6.3.4. Maintain up-to-date guidance for Council employees on taxation issues.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 6.3.5. Ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- 6.3.6. Ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary CIS requirements.
- 6.3.7. Ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- 6.3.8. Follow the guidance on taxation issued by the CFO.

6.4. Trading Accounts and Business Units (including Local Authority Trading Companies)

Trading accounts and business units have been growing in importance for many years as local councils have progressively developed a more commercial culture. Under proper accounting practices, Councils are required to keep trading accounts for services provided on a basis other than a straightforward recharge of cost in accordance with the Accounting Code of Practice.

Ongoing reductions in Government support is further increasing the rate of 'council commercialisation'. Councils are seeking ever more innovative ways to achieve financial self-sufficiency, with legislative changes (notably the introduction of a "general power of competence" under Section 1 of the Localism Act 2011) aiding the proliferation of local authority trading companies.

- 6.4.1. Advise on the establishment and operation of trading accounts and business units.
- 6.4.2. Advise on the establishment and operation of local authority trading companies, including the professional financial appraisal of proposed commercial investments, projects and trading opportunities.
- 6.4.3. Prepare financial statements for local authority trading companies in accordance with relevant proper accounting practice.
- 6.4.4. Ensure compliance with all relevant extant companies and tax legislation in respect of local authority trading companies, including the preparation of taxation and other financial returns.
- 6.4.5. Arrange and maintain adequate insurance cover for local authority trading companies, where appropriate.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 6.4.6. Follow CFO advice on the establishment and operation of trading accounts and business units.
- 6.4.7. Follow CFO advice on the establishment and operation of local authority trading companies. In particular, it is essential that the robustness of all commercial proposals is established through CFO input at the concept and development stage(s).
- 6.4.8. Consult with the CFO where a business unit wishes to enter into a third party contract where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.
- 6.4.9. Ensure that appropriate accounting principles (as guided by the CFO) are applied in relation to Council trading accounts, and statutory accounts required for trading companies, including any tax implications, where applicable.
- 6.4.10. Ensure that each business unit and trading company prepares an annual business plan.

7. EXTERNAL ARRANGEMENTS

Partnerships- Partnerships can exist in many forms and play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Councils are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Councils still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user and community wishes.

Councils will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Councils will be measured by what they achieve in partnership with others.

Jointly Controlled Operations (JCO's) are activities undertaken by the Council in conjunction with partners that involve the use of assets and resources of the partners, rather than the establishment of a separate entity.

7.1.1. A partner is defined as either:

- (a) An organisation (private or public) undertaking, part funding or participating as a beneficiary in a project; or
- (b) A body whose nature or status gives it a right or obligation to support the project

CFO Responsibilities

7.1.2. Advise on effective controls and the key elements of entering into any partnership, including JCO's, to ensure that resources are not wasted. Examples include, but are not limited to:

- (a) A scheme appraisal for financial viability in both the current and future years, together with capital/revenue cash flow forecasts for at least three years
- (b) Risk appraisal and management
- (c) Resourcing, including taxation / VAT issues
- (d) Audit, security and control requirements
- (e) Carry-forward arrangements; and
- (f) Ensure that an annual business plan is prepared.

- 7.1.3. Ensure that the partnership accounting and governance arrangements comply with all relevant regulations and codes of practice.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 7.1.4. Ensure that, before entering into any agreement with external bodies, including the terms of operation, the CFO is consulted and the Cabinet approval is obtained.
- 7.1.5. Maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the CFO.
- 7.1.6. Ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the CFO.
- 7.1.7. Ensure that arrangements are in place for cessation of a partnership, including an exit strategy.
- 7.1.8. Ensure that such agreements and arrangements do not impact adversely upon existing Council services.
- 7.1.9. Ensure that all agreements and arrangements are properly documented.
- 7.1.10. Provide appropriate information to the CFO to determine if any requirement for a note to be entered into the Council's Statement of Accounts in accordance with relevant accounting Codes of Practice is required.

7.2 External Funding

External funding is an important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Councils are increasingly encouraged to provide seamless service delivery through working closely with communities, other agencies and private service providers.

In some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall corporate/spending plans.

CFO Responsibilities

- 7.2.1. Ensure that arrangements are approved in advance by Cabinet.
- 7.2.3. Ensure that funding notified by external bodies is received and properly recorded in the Council's accounts.
- 7.2.4. Ensure that match-funding requirements are considered prior to entering into agreements and that future revenue budgets reflect these requirements.
- 7.2.5. Ensure that internal and external audit requirements are met.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 7.2.6. Ensure that the CFO is consulted prior to the completion of all applications for external funding and is provided with a written copy of all grant approvals, together with grant and auditing conditions, and that all claims for funds are made in conjunction with Finance staff and submitted by the due date.
- 7.2.7. Ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.
- 7.2.8. Records of achievements against key targets to be met must be maintained for both financial and Non-Financial indicators.
- 7.2.9. Documentation must be made available for access by either internal and/or external audit where required.
- 7.2.10. To ensure that the retention and archiving of records complies with the conditions and requirements of the funding body.

7.3 Working with Third Parties

Legislation has enabled the Council to provide a range of services to other bodies for some time. Such work may enable a unit to maintain economies of scale and existing expertise. Such services may increasingly be delivered through local authority trading companies.

Whatever service-delivery arrangements are used (either 'in house' or through a company), robust procedures should be in place to ensure that any risks associated with such work are minimised, and that such work is legal.

CFO Responsibilities

- 7.3.1. Advise on appropriate service delivery arrangements for third party working proposals.
- 7.3.2. Where work is to be delivered through a trading company, ensure compliance with the Rules in respect of that.
- 7.3.3. Issue guidance with regard to the financial aspects of third party contracts.
- 7.3.4. Provide financial information in order for the relevant Director/Assistant Director and Head of Service to monitor the contract.
- 7.3.5. Arrange and maintain adequate insurance cover for third party contracts through corporate policy, where appropriate.

Directors/ Assistant Directors and Heads of Service Responsibilities

- 7.3.6. Follow CFO advice on appropriate service delivery arrangements for third party working proposals.
- 7.3.7. Where work is to be delivered through a trading company, ensure compliance with the Rules in respect of that.
- 7.3.8. Ensure that potential proposals are properly costed in advance in accordance with CFO guidance. It is essential that no contract is subsidised by the Council.
- 7.3.9. Ensure Cabinet approval is obtained before negotiations are concluded to work for third parties.
- 7.3.10. Maintain third party contracts register in accordance with procedures specified by CFO and ensure all contracts are properly documented.
- 7.3.11. Ensure that, wherever possible, payment is received in advance of service delivery, but in any event, payments must be promptly paid in accordance with the contract.
- 7.3.12. Ensure service area has the appropriate expertise to undertake the contract.
- 7.3.13. Ensure contracts do not adversely impact on services provided for the Council.
- 7.3.14. Provide appropriate information to CFO to determine any Accounting Code of Practice requirements.

Report to:	Cabinet
Date:	1 July 2019
Title:	Update on Tourism Activities for Lewes District
Cabinet member:	Councillor Liz Boorman
Ward(s):	All
Purpose of report:	To update on the progress of the Strategic Tourism Vision and Action Plan (2018 to 2021) and activities that have taken place in 2018-19
Decision type:	Non-key decision
Officer recommendation(s):	(1) To approve continued implementation of the Strategic Tourism Vision and Action Plan (2018-2021) (2) To approve activities carried out to date
Reasons for recommendations:	Building on the success of the former three year Strategic Tourism Vision and Action Plan (2015-2018) the 2018-2021 Plan has been implemented for its first year, including a range of new activities supported by additional funding of £100K pa.
Contact Officer(s):	Name: Phil Evans Post title: Director of Tourism and Enterprise E-mail: Philip.evans@lewes-eastbourne.gov.uk Telephone number: 01323 15411

1 Introduction

- 1.1 Following a request from the Chair of Audit and Standards Committee in December 2018, it was agreed to provide an update on the progress of the Tourism Vision and Action Plan to Cabinet at a future date in 2019. This report is in response to that request.
- 1.2 The first Strategic Tourism Vision and Action Plan was published four years ago and it set out LDC plans to ensure that the District remains a vibrant and attractive destination for future visitors. Since the sharing of services with Eastbourne Borough Council was introduced through the Joint Transformation Programme, several areas of the tourism service were operated through a single team, including marketing and the provision of tourist information. The Strategic Tourism Vision and Action Plan (2018-21) built on the priorities already identified in the earlier Plan and acted to take full account of the Joint Transformation process and its implications for the delivery of tourism services.

- 1.3 Additional activities were also made possible through the injection of £100k pa to support much-needed modernisation of marketing platforms and to provide seed funding for new events in the District.

2 Proposal

- 2.1 To support the continuing implementation of the Strategic Tourism Vision and Action Plan.

The Action Plan was built around the following themes:

Visitor Information Provision

How key information about the District's visitor offer is collected and disseminated to visitors and residents alike.

Online Destination Marketing

How the District and its tourism assets are promoted and marketed to both visitors and residents alike.

Events & Attractions

How events and attractions can be effectively supported through the Council's position as a strategic leader.

Local Business Engagement

How the Council can effectively engage with, and help support, the wider tourism industry.

Wider Partnerships

How the Council can effectively engage and work with strategic and tactical partners and stakeholders.

Research & Intelligence

How the Council can support the wider tourism industry through essential research and intelligence gathering.

- 2.2 To approve the additional activities that have been introduced through the injection of £100K pa.

3 Outcome expected and performance management

- 3.1 **Visitor Information Provision
Lewes TIC**

Investment into the building using part of the £100K grant saw a refreshment in the customer area of the shop. New customer table and chairs were provided and the installation of a customer iPad that gives visitors the option to browse

the Visit Lewes website and allows us to translate into 92 languages tackling the language barrier faced by the high number of overseas visitors. There was also investment in new merchandise stands to free up wall space and increase the product offering with the aim to continue to be more commercial. Local marketing company Media Attention installed a digital screen into the Lewes TIC. The team is currently working with Facilities to explore the options to rent out office space in the empty rooms above the TIC and the pop-up shop in 2 Fisher Street. With many artists, makers and other businesses looking for space which is at a premium in Lewes, we see this as a good opportunity to make use of this available space.

Seaford TIC

This also benefited from improvements from the grant to improve the look and feel of the TIC. With space limited inside the TIC, there has been a focus on the agency sales and other services on offer. This year Seaford Town Council has installed new beach huts that are available for daily and weekly hire. Seaford TIC now act as the organisers for these bookings.

Joint working

The three TICs across Lewes and Eastbourne are run jointly with staff gaining detailed knowledge of both Districts and providing more flexible cover. One manager overseeing the three creates consistency, staff working between three sites better their knowledge of their surrounding areas, adds to their job variation, helps efficiency of rotas and allows the shared use of infrastructure.

3.2 Online Destination Marketing

Previously, Lewes invested in online destination marketing through the Stay Lewes platform. Given that the scale of accommodation provision throughout the district is diverse and quite limited in terms of the hotel offer, it was decided to re-brand the online presence to Visit Lewes to provide a more generic marketing profile and to use a joint platform shared with Visit Eastbourne. The two brands are quite distinct from a visitor perspective and completely independent in terms of style but back-office functions are shared and there is obvious benefit in sharing purchase resources to negotiate a better deal with external IT providers.

Both Lewes and Eastbourne have different primary markets in terms of the types of visitor they attract but they are predominantly south-east focussed with majority of visitors coming from London and the Home Counties. Both Districts also have higher than average international visitors (compared to the region) but again, with different profiles. Online marketing enables more targeted promotions, higher conversion ratios and better capture of visitor data so it is envisaged that this will remain the primary source of marketing throughout the life of the Action Plan.

A launch event for the new Visit Lewes branding will be created in June.

3.3 **Events and Attractions**

Artwave

150 venues have signed up to be part of Artwave 2019, running from 17th August – 1st September. The team are in the process of curating a programme of headline events, including film screenings, workshops, and an art car boot fair. Charleston, Seaford Contemporary Illustrators & Printmakers, and the Newhaven Festival have all programmed events of their own to tie in with Artwave, strengthening the festival's grass roots, community spirit.

Sussex Gin & Fizz Festival

Building on the sell-out success of the last two summer festivals, we are running two sessions this year: a family friendly daytime session, and an over 18s only evening event. While the two sessions will increase the costs of producing the festival, it is hoped that the opportunity to double ticket sales will make it more profitable overall. 1800 tickets have gone on sale, with early birds selling out, and full price tickets continuing to sell well, with similar numbers of visitors for both sessions.

A new freelancer with excellent wine industry links is assisting with recruiting exhibitors and programming talks, and we've attracted several new participants this year. Two of the industry talks will be "in conversation with" events, featuring respected and well known experts including the CEOs of Brighton Gin and Breaky Bottom.

The festival is staying true to its original aim: to showcase high quality Sussex produce. Everything sold at the festival is made locally.

Future Events

After the success of last year's Winter Gin & Fizz event, plans are underway for a paid mini festival tying in with Lewes Late Night Shopping night. We are looking for a slightly bigger venue to accommodate the many people who wanted to visit but were unable to last time. We are also exploring the possibility of holding another Gin & Fizz event in different part of the District in the forthcoming year.

Going forward, we would like to develop the Lewes events / arts programme further, potentially with a new music event in Seaford.

Local Business Engagement

One of the advantages of the joint working arrangements is that Lewes can tap into the more extensive tourism support provision available in Eastbourne. For example, business enquiries, especially from SME businesses in the visitor economy, can be directed to staff in the tourism department who can either provide first-hand advice in areas such as marketing or promotion or signpost to the appropriate agency for tourism development enquiries.

On a more strategic level, the Tourism and Enterprise Department is engaged with larger tourism providers such as Charleston, to look at developing themes such as packaging and joint promotion of events and to bring attractions and accommodation providers together so that the benefits of overnight stays and day visits to attractions can be retained within both Districts rather than leaching further afield.

A major priority going forward is to look at joint working initiatives with the South Downs National Park, especially in terms of developing sustainable tourism, utilising local public transport provision and encouraging visitors to not use their cars to explore the area but to walk, cycle and use buses and trains as part of a more enjoyable experience. Local businesses are integral to any such initiatives.

Wider Partnerships

Considerable progress has been made with the District more engaged on the local, regional and national level through a range of partnerships. For example, Lewes is now represented on the Biosphere Project which is exploring ways to develop tourism in especially sensitive natural areas which might otherwise be under threat through attracting more visitors, such as areas of chalk downland. By working with national and international partners, Lewes and Brighton are looking to improve visitor management policies that can help mitigate the damage that can occur through tourism.

Lewes has also participated in outlining national policy issues that affect the District through our associations with lobby organisations such as British Destinations and the Tourism Alliance. We have contributed to House of Lords investigations into the visitor economy and to policy papers on rural tourism and public transport issues.

We have a good working relationship with East Sussex County Council (ESCC), especially in the fields of cultural development and visitor research and intelligence and play a leading role in countywide groups based on these themes.

Research and Intelligence

Lewes now participates in annual Cambridge Model 'volume and value' surveys and is a member of the East Sussex Tourism Data Warehouse run by Tourism SouthEast. More recently, we have been working with ESCC to appoint Acorn consultancy which specialises in the 'T-Stats' method of interpreting local and national tourism data to compile more accurate and timely visitor statistics, which can in turn assist with prioritising marketing spend and analysing the success of events.

4 Appendices

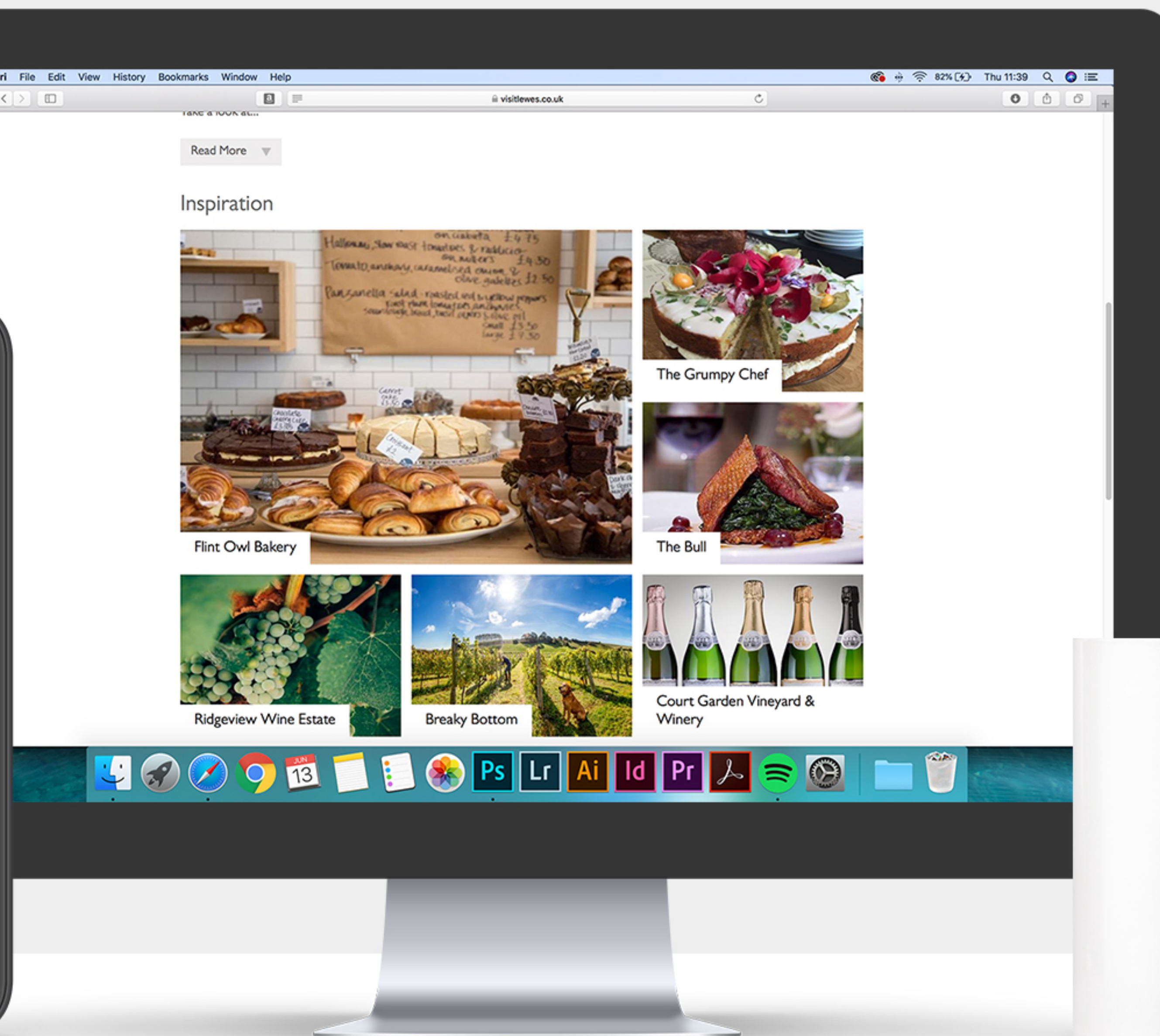
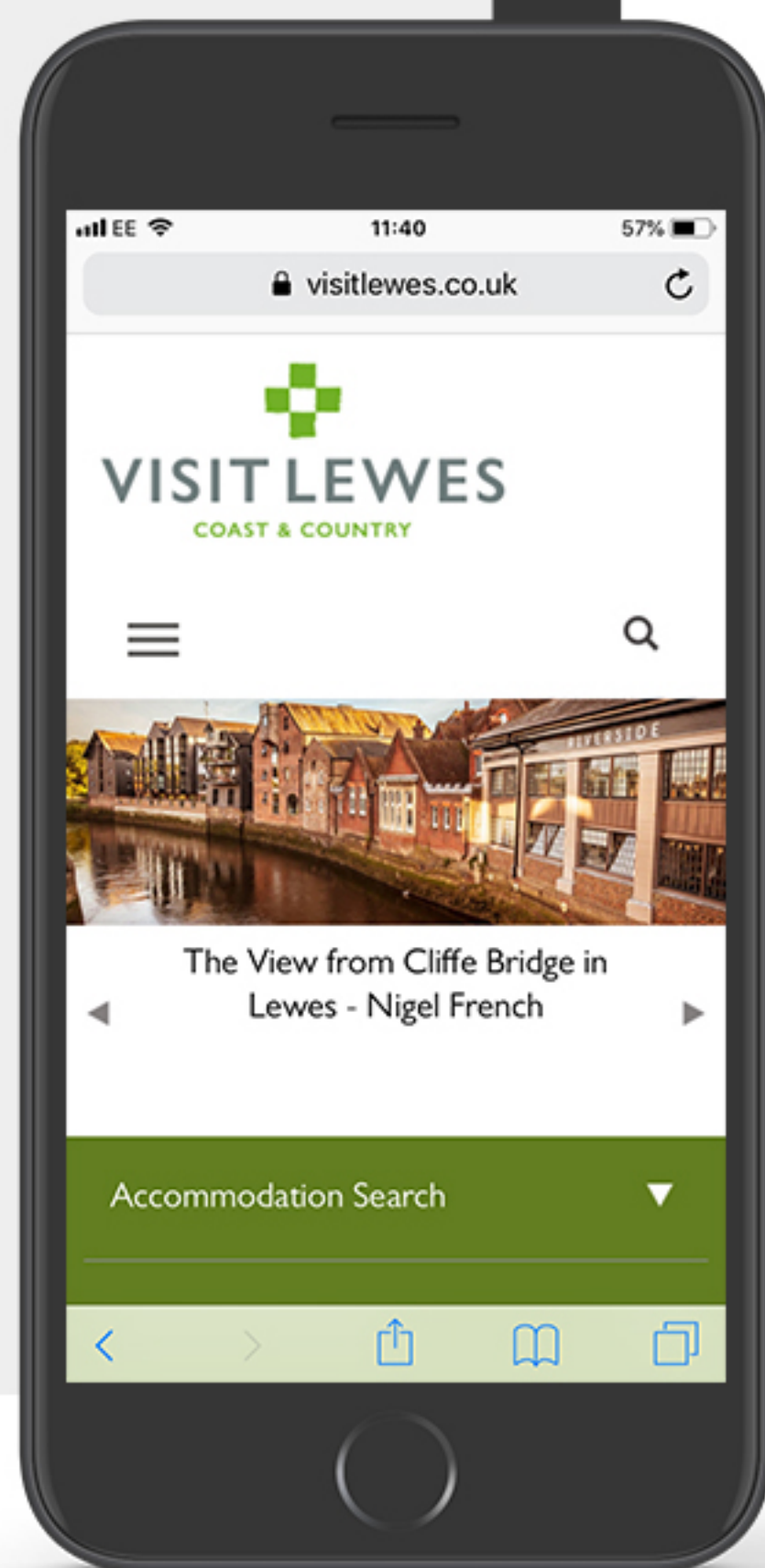
- Appendix 1 – Visit Lewes website impressions

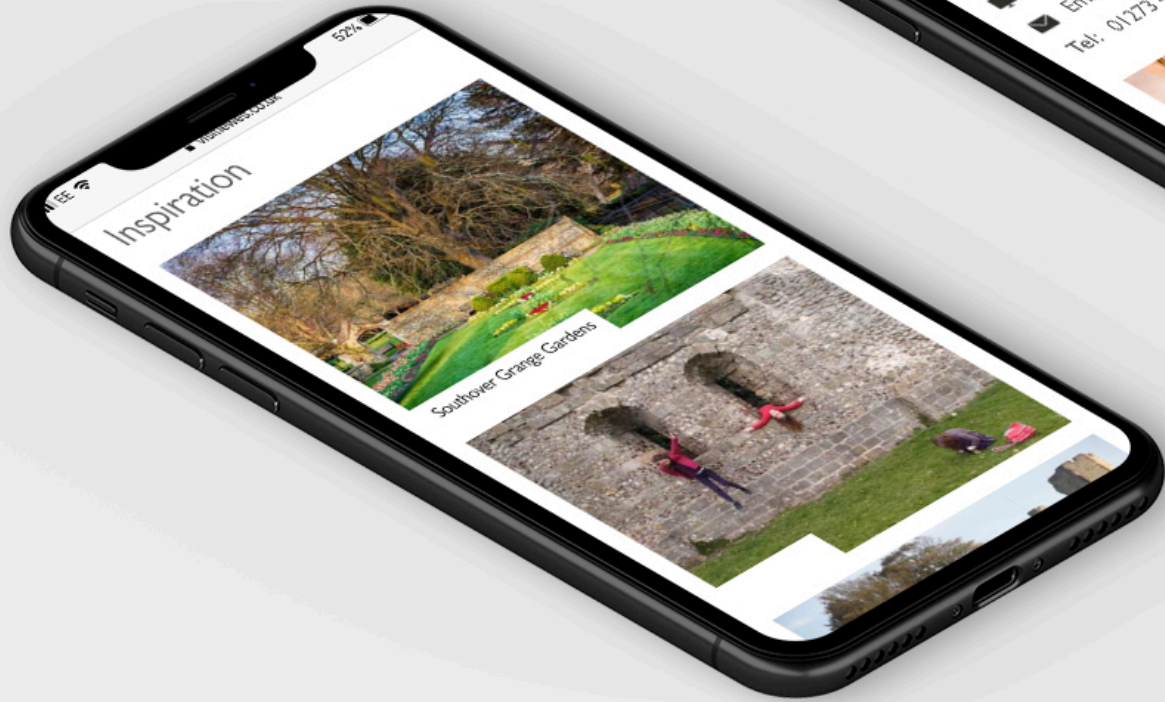
5 Background papers

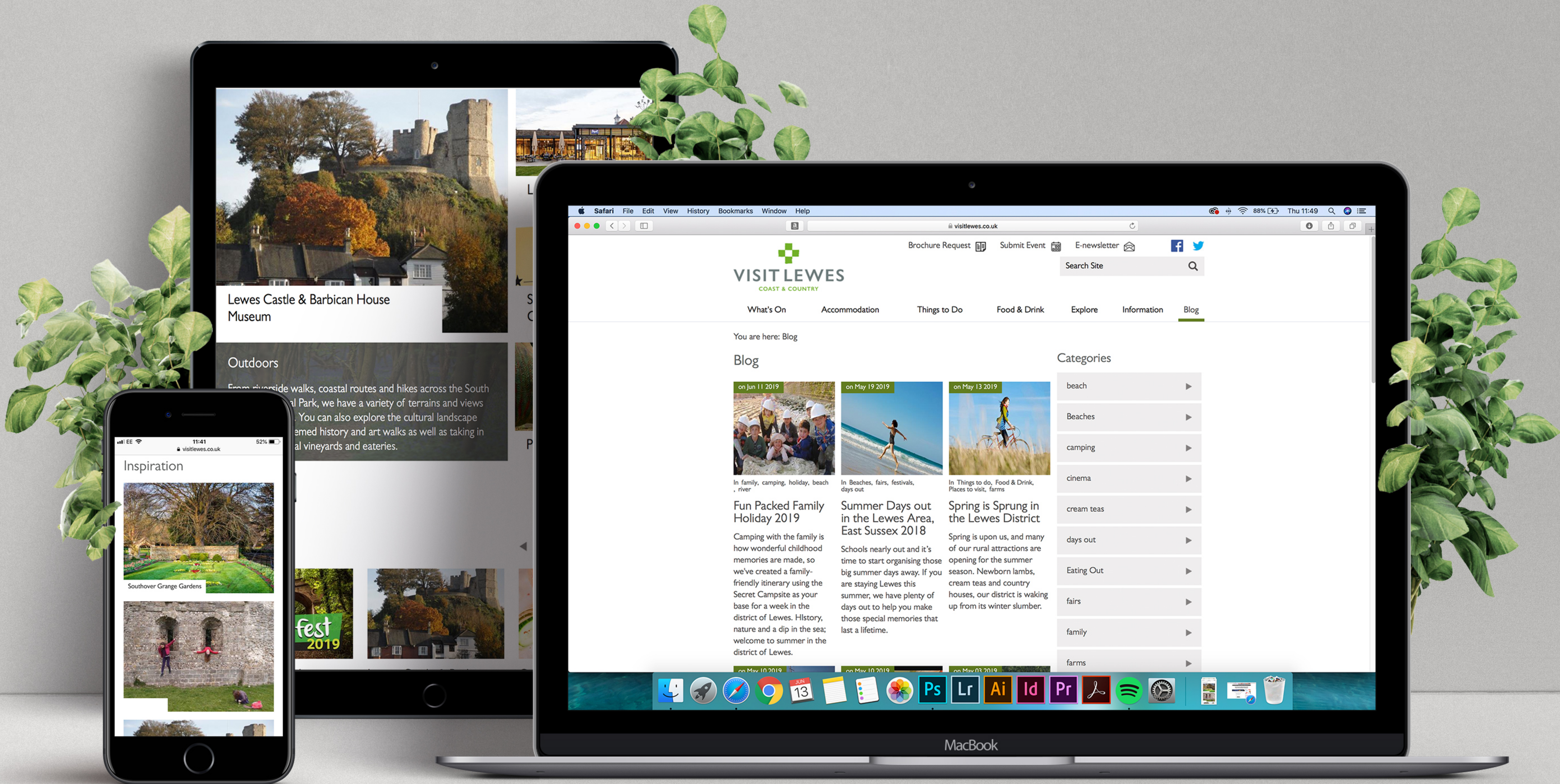
The background papers used in compiling this report were as follows:

- None









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Categories



In family, camping, holiday, beach, river

Fun Packed Family Holiday 2019

Camping with the family is how wonderful childhood memories are made, so we've created a family-friendly itinerary using the Secret Campsite as your base for a week in the district of Lewes. History, nature and a dip in the sea; welcome to summer in the district of Lewes.



In Beaches, fairs, festivals, days out

Summer Days out in the Lewes Area, East Sussex 2018

Schools nearly out and it's time to start organising those big summer days away. If you are staying Lewes this summer, we have plenty of days out to help you make those special memories that last a lifetime.



In Things to do, Food & Drink, Places to visit, farms

Spring is Sprung in the Lewes District

Spring is upon us, and many of our rural attractions are opening for the summer season. Newborn lambs, cream teas and country houses, our district is waking up from its winter slumber.

- beach
- Beaches
- camping
- cinema
- cream teas
- days out
- Eating Out
- fairs
- family
- farms

Inspiration



Southover Grange Gardens



MacBook

Report to:	Cabinet
Date:	1 July 2019
Title:	Recommendations from Climate Action Group
Report of:	Tim Whelan, Director of Service Delivery
Cabinet member:	Councillor Isabelle Linington, Leader and Cabinet Member for Environment
Ward(s):	All
Purpose of report:	The role of the Climate Action Group was ‘to conduct a review of council services with regards to climate change adaptation and mitigation’ following a resolution to that effect at Full Council, 26 November 2018. This report presents the recommendations of that group.
Decision type:	Key
Officer recommendation(s):	Cabinet is recommended to: (1) Agree the proposed recommendations at Appendix One. (2) Agree funding of £5,000 for the provision of a drinking water tap at Lewes skate park subject to final design being signed off by the Leader of the Council. (3) Request that the Scrutiny Committee sets up a task and finish group to monitor the implementation of the recommendations set out at Appendix One.
Reasons for recommendations:	(1) The remit of the Climate Action Group was to make recommendations for climate change mitigation and adaptation at Lewes District Council, as resolved at Full Council, 26 November 2018. (2) It was agreed that recommendations would go forward to Cabinet. Key recommendations are set out above, with the detail at Appendix One.
Contact Officer(s):	Name: Jane Goodall Post title: Strategy & Partnership Lead, Quality Environment E-mail: jane.goodall@lewes-eastbourne.gov.uk Telephone number: 01273 085383

1 Introduction

- 1.1 The Director of Service Delivery, Tim Whelan, tasked as the director responsible, chaired a series of meetings between January and April 2019, with the aim of meeting these requirements.

Councillors attending were Cllrs Linington and Bikson, Conservative; Cllrs Catlin and Murray (sub), Independent; Cllr Rowell, Green; Cllr Ient, LibDem.

- 1.2 The first meeting, in January, considered staff travel and related issues. The Head of HR presented information on the staff travel policy, including the principles of working from home and the following:

- the council encourages staff to use the train, through incentives
- staff can apply for an Easit card with 15% off fares
- season ticket loans are provided at zero interest
- cycling to and for work is encouraged inc. cycling mileage
- car-pooling information is provided as part of policy

Managers also described how Neighbourhood First operates, reducing the need for other officers to travel out in the community, for example by taking photos for planning enforcement and joint working with housing.

The Head of ICT gave an update on the latest technology assisting mobile and flexible working and reducing both the use of paper and unnecessary travel. A recent innovation is that teams are able to hold 'virtual meetings' across the two main sites via video conferencing.

The Functional Lead, Quality Environment, provided information on air quality projects in the district, with a focus on 'anti-idling' campaigns at school pick up/drop off points.

- 1.3 At the second meeting, there was a presentation about 'Refill' and water provision across the district (see Appendix Two for key information). Additionally, the group was informed about work across the corporate estate and Wave Leisure to make buildings more energy efficient.

- 1.4 At the third meeting, the following areas were covered:

- Sustainability in the LDC housing stock, with a comprehensive presentation by the Property Services Lead, Homes First (see Appendix Three for highlights);
- The new sustainability checklist, challenging design teams and contractors to aim for a higher level of sustainability in LDC developments, in partnership with Clear Sustainable Futures (see

Appendix Four, the sustainability checklist);

- Modular housing delivered as pre-constructed units provided by Boutique Modern, based in Newhaven.

1.5 The final meeting was on LDC fleet. Dennis Eagle (truck specialists) presented their plans for developing electric Refuse Collection Vehicles. There was also a discussion about North Street Quarter.

2 Outcome expected and performance management

2.1 Initial outcomes:

There has been a focus on staff travel options in Hub news and information in District News, Spring 2019, about Boutique Modern modular housing and the 'anti-idling' clean air campaign.

As a result of discussions about staff travel by train, a short staff survey was undertaken and results sent to Southern who responded by alerting us to improved 'easit' offer for booking online:

<https://www.easit.org.uk/>

It is anticipated that more meetings will take place by video conferencing and that commuting between sites will be reduced and only as necessary.

Other measures, as recommended by the working group, will help to improve air quality, reduce carbon emissions and enhance the district for residents and visitors.

2.2 Drinking water provision:

The installation of a suitable and robust drinking water tap at Lewes skate park will improve customer perception of facilities provided, support the reduction of single-use plastics, help reduce littering and meet healthy eating objectives by reducing the need to purchase alternative drinks in single-use containers. Skateboard park users have requested access to drinking water.

2.3 Setting up a Scrutiny task and finish group:

A Scrutiny task and finish group: to agree an action plan to progress the recommendations in Appendix One, noting that many of these have been allocated to appropriate members of staff.

3 Consultation

3.1 The cross party group had representatives from the administration and each party of the opposition.

4 Corporate plan and council policies

- 4.1 The recommendations align with the council's Sustainability Policy, adopted December 2018.

5 Business case and alternative option(s) considered

5.1 Drinking water provision:

The Malling skate park, Lewes, is a suitable site for water provision, and the Project Manager can put aside £5,000 from current budget allocation if Cabinet can match fund up to this amount to complete the installation.

5.2 A green tariff for the corporate estate is a key recommendation:

This will be subject to cost considerations in March 2020 prior to next contract renewal, September 2020. This is an action for Facilities, to investigate and report the cost implications of moving to a green electricity tariff for the new contract due 01/10/20 – a decision must be made and contracted with Laser no later than 31/03/20.

6 Financial appraisal

- 6.1 Finance confirms the £5,000 for a tap at the skate park has been included within the corporate contingency sum (email, 5 June 2019).

7 Legal implications

- 7.1 Under the Localism Act 2011 section 1, the general power of competence, the Council has the power to do anything that an individual can do that is not specifically prohibited or to which a more particular power or duty does not apply. The actions proposed in this Report fall within this power. Report considered by Legal Section on 12 June 2019 (IKEN-8341- LDC- MW).

8 Risk management implications

- 8.1 The proposals within this report are strategic in nature and the risks in not pursuing these opportunities are in part reputational. On the matter of installing drinking water facilities, the project manager is aware of the potential risks of vandalism and will seek to mitigate these through design and monitoring.

9 Equality analysis

- 9.1 Action arising from the Equality Analysis, undertaken in relation to water tap provision: to ensure the water tap is accessible. Analysis and no relevance report available from the report author on request.

10 Appendices, see attached

- Appendix One, full list of recommendations
- Appendix Two, 'Refill' in Lewes, attached
- Appendix Three, sustainability measures re LDC housing stock
- Appendix Four, the sustainability checklist, attached

11 Background papers

None

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Appendix 1, full list of recommendations

Meeting 1 – staff travel policy and practice, also update on air quality

- To encourage train travel between sites
- To engage with Southern re: overcrowding, reliability and other issues to serve customers better (staff survey results shared with Southern, response on Easit cards in Hub news 30 April 2019)
- To promote use of 'virtual meetings', enabling staff to stay on one site during the working day
- To allow staff to work from site closest to home to avoid lengthy commute, unless overriding business necessity
- To encourage car-sharing – promoted on Hub
- To investigate providing more EV charge points, for staff parking
- Review criteria for staff car loans, if still applicable, and lower CO2 emissions for qualifying vehicles and EVs
- Ed Hele to progress the appropriate conversations with the bus companies noting Cllr comments about idling (outside Aqua/Lounge)
- Ensure that anti-idling and air quality improvement measures are incorporated into contracts with our suppliers, e.g. grounds maintenance
- Investigate idling 'hot spots' in the district.

Meeting 2 - corporate estate

- Wave to consider installing EV charge points
- Request for £5k to install drinking water fountain at Lewes skate park now EA issues have been resolved
- Green electricity tariff: investigate this option in March 2020 prior to next contract renewal, September 2020, for the corporate estate - report back cost implications. [For facilities to investigate and report to councillors the cost implications of moving to a green electricity tariff for the new contract due 01/10/20 – decision must be made and contracted with Laser no later than 31/03/20]
- Wave Leisure to investigate possibility of moving to a green tariff and report back
- Wave & Facilities: to always consider alternatives and present options at the point of boiler (and other tech) replacements in the future
- Encourage staff to think about sustainability actions in the office (e.g. turn off monitors).

Meeting 3 – LDC developments

- Smart/automatic metering for LDC landlord supplies, with Ian Sexton & Peter Bowley (PB) to ensure that all suitable meters are upgraded, project initiated with Npower & Laser and now with PB to progress

Meeting 4 – Fleet and NTQ

- KM to provide an update on operation of new Renault EV van with a view to rolling out more of these
- Invite Dennis Eagle back in the next year to update about technical developments in RCV fleet
- Group recommends it is reconvened after elections in May, suggested this is taken through Scrutiny.

Appendix 2

Climate change action group - Water update



Lewes District Council

Newhaven skate park

- Build due to start April 2019

The specialist team that built the London 2012 Olympic BMX track has been commissioned to build the new Newhaven skatepark and pumptrack.

Reflecting the council's commitment to the national 'Refill' campaign, the new facility will also have a water fountain installed to reduce the use of single-use plastic bottles.



Waterless Urinals

- Across both authorities will save 2.7 million litres of water each year
- 928kg supply + 1816 kg treatment =
2744 kg CO2e saved each year
- More environmentally friendly cleaning products
- Payback within 10 months

Refill Scheme



Comms & engagement

Tweet text	impressions	engagements	retweets	replies	likes	detail expands	media views	media engagements
<p>Refill Lewes, part of the nationwide scheme to encourage people to refill reusable water bottles, will launch at the Grand Opening Ceremony of Pells Pool on Saturday 26th May!</p> <p>https://t.co/sQWS7aKcvE</p> <p>https://t.co/3T8tz2Tb2q</p>	2724	55	7	2	15	14	12	12



Lewes District Council

3 August 2018 · 🌐

Help #BeatPlasticPollution with the Refill App can refill your water bottle in your local area y the app go to #RefillableLife #KeepCool #Reu #Lewes #Seaford #Newhaven @refillsn @refi



LewesDistrictCouncil @LewesDC · 31 Aug 2018

Help #BeatPlasticPollution with the Refill App. Refill helps you find where you can refill your water bottle in your local area . Learn more or download the app at j.mp/2pmIvwA #RefillableLife #KeepCool #Reuse #Lewes #Seaford #Newhaven @refillsn @refilllewes @refill



Lewes District Council

Like This Page · 27 July 2018 · 🌐

Are you a local business who can help #BeatPlasticPollution ? Visit buff.ly/2FNruSw to register as a refill station and to find our more #RefillableLife #KeepCool #Reuse #Lewes #Seaford #Newhaven @RefillSN @LewesRefill

Like

Comment



Lewes District Council

24 August 2018 · 🌐

It's hot, hot, hot outside and important to stay hydrated. Use the Refill App to find where you can refill your water bottle in your local area. To learn more or download the app go to #KeepCool #Reuse #BeatPlasticPollution #Lewes#Seaford #Newhaven @refillsn @refilllewes @refill

Potential for drinking water fountains

- **Southover House –**
- **Council owned water supplies-**
Very limited scope to install within toilets facilities/buildings
- Possible sites :
 - **Seaford-**
 - **Peacehaven**
 - **Lewes**
 - **£3-5k per site if install is simple**



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Appendix 3, LDC housing

In terms of LDC housing stock, improvements have been made under DHS, CESP, CERT, RHI, and FIT

Glossary of acronyms below:

DHS	Decent Homes Standard
CESP	Community Energy Saving Programme
CERT	Carbon Emissions Reduction Target
RHI	Renewable Heat Incentive
FIT	Feed In Tariff

High level measures taken to adapt to climate change and address fuel poverty include:

- Double glazed windows
- Insulation – cavity & external wall insulation
- Solar PV
- Energy efficient heating and hot water
- Modern controls – programmers, room thermostats and thermo valves

Measures to be taken, continuing programme:

- Improving property data to shape investment priorities.
- Developing retrofit solutions for flat & house archetypes
- Improving insulation & thermal performance
- Installing more efficient appliances and using more renewables such as Solar PV, Air Source Heat Pumps, High Efficiency Electric Heating & Hot Water, and Battery Technology.
- Tap into alternative funding where viable i.e. RHI
- LED lighting in common parts and grounds
- Modern time switches to activate and turn off lighting
- Moving toward smart metering & energy monitoring
- Heating controls in dwellings served by communal systems
- Review of Specifications used in repairs and refurbishment.

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Appendix 4 - Information only version: Energy & Sustainability Vision – New Project Checklist

The Vision

“To help our communities become more sustainable by ensuring that the infrastructure that is built will deliver the fundamentals that sustain life at an affordable level with minimum impact on the limited available resources.

Lewes and Eastbourne Councils will integrate sustainability initiatives into all developments to reduce the impact of society on the environment by reducing our carbon footprint, waste, pollution and energy consumption and by promoting sustainable construction and design through the use of renewable energy, conservation of water and reduced flood risk”.

Introduction

*****This document is a guide to the type of standards the councils are expecting from our delivery partner Clear Sustainable Futures. This version does not contain all the information of the live document*****

The checklist is designed to guide the project manager at an early stage, to think about how the development will meet the sustainability vision for Lewes & Eastbourne councils. The checklist should be completed early on based upon known site opportunities and constraints and used to document why certain things should be considered for inclusion or not. Once completed it is appended to the New Project Request as the Energy & Sustainability Form where the project team document how the opportunities shall be delivered. This form will exist as evidence of the thought process and act as an aide memoir to ensure the full potential of the project is realised.

For each of the 4 operational areas the targets are split into 2 parts:

Minimum Standards - these outcomes will be expected as minimum standards for all developments.

Where these minimum standards will not be met, there must be documented analysis of why the elements are not viable giving due regard to the nature of the Clear Futures purpose. These should not be changed

Site Specific Needs – these outcomes should be put forward on a project by project basis. These outcomes will be site specific and tailored to the anticipated use (for example battery storage may be required to address fuel poverty concerns in social housing developments).

Outcomes are specified where the aim is to improve upon current planning policy standards.

These outcomes are designed to challenge the design teams and the market, to come up with solutions that incorporate as many of these ‘like-to-haves’ as possible within budget.

These can be changed on a project by project basis.

Information only version: Energy & Sustainability Vision – New Project Checklist

Project Number: **CF**

Project Name:

Ref	Vision Elements	Project Objectives & Sustainability impact	
A	Sustainability for the Public Sector in Delivering Assets Delivering public sector projects and services that support the sustainability of their communities and the lives of their citizens	As A Minimum	The Project will generate its own low carbon energy. A Stage 0 Feasibility Study will be completed to secure funding for deployment. It shall consider heat and power generation and storage to produce all site needs.
		Site Specific Needs	Car parking areas will be designed to allow utilisation of solar canopies
			The site has been assessed for the provision of flexibility services and the site has been registered as a distributed energy resource (DER) with UKPN
			<i>Additional Requirements to be added here</i>
B	Sustainability in Housing, Development and Infrastructure Positively responding to the big changes in growing population, different models of housing ownership and the move towards modular and sustainable construction techniques	As A Minimum	All development is to achieve a greater than 20% reduction on the Dwelling Emission Rate (DER) against the Target Emission Rate (TER) based on Part L of the Building Regs 2013 whilst meeting the TER solely from energy efficiency measures as defined within the SAP calculation model.
			An early screening assessment/score card will be completed to assess the risk of overheating. Where screening flags a potential issue a detailed appraisal will be completed to manage and rectify designs that are at significant risk.
			CO ₂ Savings against recognised benchmark to be measured.
			Residential units will better a water consumption rate of 110 litres or less per person per day
			Rainwater harvesting will be installed at an individual or community level
		Site Specific Needs	LED or other low-energy light fittings specified throughout
			Grey water recycling will be installed at an individual unit or community level
			All white goods will have an energy rating of A+ or above
			Residential heating controls will be SMART.
			Non-residential developments will consider the use of Building Energy Management Software
			The pre-fabrication of elements off-site has been evaluated

Information only version: Energy & Sustainability Vision – New Project Checklist

Project Number: **CF**

Project Name:

C	Sustainability in Environmental and Natural Resources Positively responding to the big challenges to water security, increased flooding and other impacts of climate change such as coastal erosion	As A Minimum	All developments will seek to improve the site to increase its biodiversity value (required net biodiversity gain) and improve opportunities for local wildlife (referencing site ecology reports and background data searches).
			All roofs and walls will be assessed for the viability of incorporating green, living systems
			All sites will link with and increase the network of green corridors within the locality (prioritisation for native / local species of value to local wildlife).
			Residential developments will provide for tree canopy cover to be no less than 20% of the developed area. There will be prioritisation for native / local species of value to local wildlife.
			High priority for native species of seasonal value and interest to local wildlife (flower, pollen, nut/ seed/berry rich species etc.).
			The design benefits local wildlife (for example movement and roosting/nesting opportunities)
			Plant species listed on the WCA Schedule 9 invasive non-native list will not be used in landscaping planting schedules.
			There will be no more than 20% impermeable surfaces present on the development (not including building footprint)
		Site Specific Needs	A Phase 1 habitat survey has been completed and ecological recommendations, as per the report, implemented during the early design stages that achieve a net biodiversity gain
			The development will achieve greenfield run-off rates, mitigation measures may for example include rain gardens and attenuation where needed.
D	Sustainability in Economic, Growth and Prosperity. Positively respond to the big changes of a 24/7 economy with increasingly automated infrastructure, housing need changes, and the changing face of employment with continued move to online retail and automated provision of professional services	As A Minimum	The development will provide for superfast broadband
		Site Specific Needs	The development will provide spaces for car club vehicles.

Information only version: Energy & Sustainability Vision – New Project Checklist

Project Number: **CF**

Project Name:

E	Sustainability in Social Resilience, Health and Well-being Positively responding to the big changes of ageing demographic, smaller working population, poorer older people and multiple chronic health issues with local level solutions	As A Minimum	Residential streets will be designed to be child-friendly with a maximum speed limit of 20mph.
			Car parks will provide for 50% of spaces to have electric vehicle charging points and the electric capacity will be such to enable future increase to all spaces.
			The development will contribute to the creation of a network of cycle and walking routes and bicycle and pedestrian access will be prioritised through the development.
			All waste and recycling streams can be accommodated on site. Recycling facilities are as easy to access as waste. Facilities, the location of bins will not cause nuisance and facilitate ease of access for collection vehicles, bins and stores will be vermin proof, there is no adverse impact on the amenity of the area
			A post-occupancy monitoring strategy will be proposed for the site. The site or a proportion of units (as appropriate) will be monitored and tested for an agreed length of time and the data will be maintained and available for scrutiny by the local authority
		Site Specific	There will be at least one public drinking water installation located at an appropriate border with the public realm
			<i>Additional Requirements to be added here</i>

Report to:	Cabinet
Date:	1 July 2019
Title:	Housing Finance for Short Term Lettings Development
Report of:	Ian Fitzpatrick, Director of Regeneration and Planning
Cabinet member:	Councillor Ron Maskell (Cabinet Member for Housing)
Ward(s):	Newhaven Denton & Meeching
Purpose of report:	The report is to seek approval for spending Right to Buy Receipts on a development scheme to provide 13 flats to meet our need for access to short term lettings.
Decision type:	Key Decision
Officer recommendation(s):	<p>(1) To approve an increase in the General Fund Capital Programme budget for the scheme from £2.2m to £2.9m, with the additional £700,000 to be funded from Right to Buy Receipts.</p> <p>(2) To report an amendment to a waiver previously approved to the Contract Procurement Rules (CPR), as set out in Para. 2.4.1(a) of CPR to allow the direct selection of a main contractor, due to the bespoke nature of the product required and time restrictions.</p>
Reasons for recommendations:	<p>In October 2018 Cabinet approved a report to spend up to £2.2m on the development of housing for temporary accommodation, following on from a £2.2m budget amendment in February 2018 at a Full Council meeting. The budget amendment was made on the basis of an appraisal for a scheme built on a flat empty site, with no specific investment in sustainability or reducing the environmental impact.</p> <p>The October 2018 report included a waiver to the Contract Procedure Rules (CPR) to directly the select an appropriate modular housing contractor. Although the approved contractor is still due to deliver the scheme, a ground works contractor has been added to the waiver, by the Director of Planning and Regeneration in Consultation with Leader of the Council under CPR 2.4.1b.</p>

Contact Officer(s): **Name: Leighton Rowe**
Post title: Development Project Manager
E-mail: leighton.rowe@lewes-eastbourne.gov.uk
Telephone number: 01323 415367

1 Introduction

- 1.1 Following the approval of the Cabinet Report in October 2018 to develop a housing scheme for the use of short term lettings, LDC has selected the site of the Former Council Housing Office at 20 Fort Road, Newhaven for the development. The building has been vacant since the Housing team moved to the shared office space at Saxon House, Newhaven. Although the site benefits from already being in the Council's ownership and with no existing use, it will involve demolition of the old offices and is a split level site, requiring significant retaining wall groundworks.
- 1.2 Over the past two years LDC has been developing its targets of delivering Capital projects to meet ambitious sustainability targets. Therefore the design of the scheme at 20 Fort Road has included many sustainability features, starting with a "Fabric First" approach to insulation and air pressure and also using technology such batteries for storing self generated electricity. There will be no gas used in the homes, and the target is for 3 months a year the homes could survive without the electricity grid.
- 1.3 Planning permission for a scheme of 13 affordable flats was granted in April 2019 (ref LW/19/0012).

2 Project Budget

- 2.1 The project budget of £2.2m allocated by Full Council and Cabinet was not based upon specific site selection or on detailed project specification, and now that full design and planning approval have been completed a project budget has been set of up to £2.9m, including £2.7m demolition and construction costs, and £200,000 in professional fees and financing costs.
- 2.2 LDC have receipts that are collected from the sale of Council homes under the Right to Buy, which can be used to fund 30% of development costs of new affordable housing by the Council, which will have to be handed back to Central Government if not spent within 3 years of being received, and can boost the project budget to deliver an exemplar scheme in Newhaven

3 Procurement Waiver

- 3.1 The addition of a second contractor to this project will allow greater certainty of the programme being delivered on programme, and ensure that contractors are able to focus on the specialist expertise in modular house construction and ground works respectively.

Lewes District Council has commissioned an independent report to benchmark

different companies offering modular housing construction for future projects. This report will be compare cost; delivery of small, medium and large developments, as well as considering local employment opportunities and will include local and national companies in its scope.

4 Consultation

- 4.1 Consultation was undertaken with Newhaven Town and Ward Councillors prior to Planning permission being applied, as well as the statutory planning consultation.

5 Corporate plan and council policies

- 5.1 The overall outcomes of this project support the Council's Corporate Plan to improve:
- "Place" through the use of modular housing, delivering affordable housing, market and affordable housing,
 - "Value for Money". By providing a service for customers within the District and ensuring that money LDC spends on temporary accommodation is spent in the District rather than expensive B&B accommodation elsewhere. Also by using modern technology to improve thermal warmth and decrease utility heating bills.

7 Financial appraisal

An additional £700,000 will be added to the General Fund Capital Programme to increase the project budget for the scheme from £2.2m to £2.9m. The additional £700,000 will be funded from Right to Buy receipts.

8 Legal implications

Officers have sought legal advice and will continue to work with colleagues in Legal Services to ensure related property, procurement and contract matters are explored and that the resulting development agreement protects the council's interest as far as possible. (Legal ref 007649-CEC and 007517-CAB)

9 Risk management implications

Risk 1: The selected contractor is unable to deliver the planned scheme

Mitigation: A second contractor has been added to lead the main contract works to ensure capacity and specialist expertise at every stage of the project.

10 Equality analysis

- 10.1 There are no equality impacts as a result of the recommendations of this report.

11 Appendices

- Appendix A – Site Details and Plan
- Appendix B – Contract Procedural Rules Waiver

12 Background papers

The background papers used in compiling this report were as follows:

- Full Council Minutes Feb 2018 – See Agenda Item 9.1
<http://democracy.eastbourne.gov.uk/Data/Lewes%20District%20Council%20Full%20Council/201802191800/Agenda/07nn9g5o3geawga7W32fsZ8BV4yD4.pdf>
- Cabinet Report October 2018
<http://democracy.lewes-eastbourne.gov.uk/documents/s8577/New%20housing%20for%20short%20term%20letting.pdf>

Appendix A – Site Details and Plan

Former Housing Office, 20 Fort Road, Newhaven, BN9 9QF



Site Selection

In response to a £2.2 million Council capital budget allocation high level feasibility assessments have been carried out on six separate possible sites for this project. Four of the sites are owned by Lewes District Council and two by third-party owners with whom initial discussions were commenced. From the six sites considered, four failed to have a reasonable chance of progressing due to high costs or low likelihood of achieving planning permission. Apart from the site at 20 Fort Road, a Council garage site, also in Newhaven was considered but was too small to deliver the 12 units that were set a lower threshold for a worthwhile scheme.

The location of the Fort Road Site in Newhaven is not far from the Town Centre where a masterplan is currently being developed and in close proximity to the Enterprise Zone, both of which are aiming to bring investment and regeneration to the Town.

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Lewes District Council – Contract Procedure Rules

Waiver by Accountable Officer

CONTRACT:

Appointment of OSM Construction for 20 Fort Road, Newhaven development/construction works

BACKGROUND:

Following the completion of a feasibility report on the delivery of a new build modular housing scheme of Temporary Accommodation(TA), approval was given for a budget amendment to the 2018/19 General Fund Capital Programme to allocate £2.2m for the development of new TA. Following a site options appraisal process, a council-owned site in Fort Road, Newhaven was selected as the most deliverable option, and planning permission for 13 flats was granted in April 2019.

REASON FOR WAIVER:

2.4.1 a) of the Council's [Contract Procedure Rules](#):

The Cabinet has power to waive any requirements within these Rules for specific projects, in which case its reasons for doing so shall be recorded in the Minutes of the Cabinet meeting

There are a very limited number of construction companies offering this kind of product, and Council officers researched this issue extensively recently prior to procuring a company to build 6 modular bungalows at Ashington Gardens in Peacehaven. The shortage of good quality, local temporary accommodation is a growing issue that is costing LDC money every week and there is a clear benefit to ensuring the development does not get delayed by lengthy procurement that is unlikely to result in LDC receiving a selection of competitive tenders.

See Cabinet Paper of 29th October 2018 for detailed report.

CONTRACT VALUE: £2,700,000

AUTHORITY FOR THE CONTRACT:

I confirm that, in accordance with section 3 of the CPRs, sufficient budget approval has been obtained and that I authorise the Designated Officer (*Leighton Rowe*) to proceed with the contract award.

Signed
Accountable Officer

Print Name

Job Title

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Report to:	Cabinet
Date:	1 July 2019
Title:	Lewes District Local Plan Part 2 – Publication of Main Modifications
Report of:	Director of Regeneration & Planning
Cabinet member:	Councillor Tom Jones (Planning)
Ward(s):	All wards that lie wholly or partially outside of the South Downs National Park
Purpose of report:	To seek Cabinet approval to publish the main modifications to the Local Plan Part 2: Site Allocations and Development Management Policies for a consultation period of 6 weeks.
Decision type:	Key decision
Officer recommendation(s):	<p>(1) To publish the main modifications to Local Plan Part 2 (Appendix 1 of this report) and associated sustainability appraisal for a period of six weeks to enable public representations to be made;</p> <p>(2) To authorise the Director of Regeneration & Planning to submit the main modifications, together with any duly made representations, to the Examination Inspector following the consultation period;</p> <p>(3) To authorise the Director of Regeneration & Planning, in consultation with the Cabinet Member for Planning, to agree any minor modifications to the Local Plan Part 2 in order to aid its practical application for decision-making.</p>
Reasons for recommendations:	To ensure that the concerns of the Examination Inspector are addressed so that the Local Plan Part 2 can be progressed towards adoption as soon as possible, thereby supporting the implementation and delivery of the Local Plan Part 1: Joint Core Strategy.
Contact Officer(s):	Name: Natalie Sharp/Robert King Post title: Senior Planning Policy Officer E-mail: natalie.sharp@lewes-eastbourne.gov.uk robert.king@lewes-eastbourne.gov.uk Telephone number: 01273 085454/085455

1 Introduction

- 1.1 The Lewes District Local Plan Part 1: Joint Core Strategy (JCS) was adopted by the Council in 2016 and provides the planning policy framework to guide strategic growth across the district to 2030.
- 1.2 The Lewes District Local Plan Part 2 (LPP2) builds upon the strategic policies of the JCS by allocating smaller-scale sites for development and providing the detailed development management policies to inform planning decisions. It will also cover the period to 2030 and replace the majority of the 'saved' policies of the 2003 Local Plan.
- 1.3 On 26 November 2018, Council approved the submission of the LPP2 to the Secretary of State for examination. The LPP2 was submitted in December 2018 and an Inspector was appointed to examine the plan in January 2019. The examination hearings took place in April 2019.
- 1.4 The Council has now received a schedule of proposed main modifications to the LPP2 from the Examination Inspector. This schedule is attached as Appendix 1 to this report. The proposed modifications are based upon discussions at the examination hearings. They address matters that affect the soundness of the plan and will need to be published for consultation before the LPP2 can be adopted. In the meantime, the examination remains open until the Council receives the Inspector's final report.

2 The Proposed Modifications

- 2.1 The Inspector has not proposed any modifications that would result in the deletion of any of the existing policies in the submission LPP2. However, he has proposed amendments to the wording of a number of policies and their associated supporting text. In the case of Policy E1 (Land at East Quay, Newhaven), he has also proposed a reduction in the size of the allocated employment site.
- 2.2 The key matters that the proposed modifications seek to address are:

Para.1.19: Amendments to the supporting text of the plan to take into account comments submitted by Natural England in respect of the Habitats Regulations Assessment published with the LPP2.

Policy NH01 (Land south of Valley Road, Newhaven): Inclusion of an additional policy criterion to address concerns over surface water drainage mitigation raised by the ESCC, as the Lead Local Flood Authority.

Policy NH02 (Land at The Marina, Newhaven): Inclusion of additional policy criteria in respect of the protection and enhancement of biodiversity and waste and sewage disposal to address concerns raised by the Environment Agency.

Policy BH01 (Land at Nuggets, Valebridge Road, Wivelsfield): Inclusion of an additional policy criteria to address concerns over surface water drainage mitigation and potential adverse impacts on trees raised by ESCC and Sussex Wildlife Trust respectively.

Policy CH02 (Layden Hall, East Grinstead Road, Chailey): Inclusion of additional policy requirement for safe and convenient pedestrian access to the nearest bus stop.

Policy RG01 (Caburn Field, Ringmer): Inclusion of an additional policy criterion to address concerns over surface water drainage mitigation raised by the ESCC.

Policy GT01: (Land South of the Plough): Inclusion of an additional policy criterion in respect of sewerage provision to address concerns raised by the Environment Agency and ensure consistency with other housing site allocations.

Policy E1 (Land at East Quay, Newhaven Port): Modifications to ensure that only employment uses associated with Newhaven Port will be permitted and to exclude the area of vegetated shingle habitat along the seafront from the allocated site (see Appendix 2 of this report). Also, the inclusion of additional policy criteria to address concerns over the potential adverse impacts of development on biodiversity and the need for appropriate assessments of landscape character and archaeological potential, together with any necessary mitigation measures. All recommended changes to address concerns raised by Natural England and other representations.

Policy E2 (Land adjacent to American Express Community Stadium, Falmer): Modification to permit the development of ancillary uses directly associated with the Community Stadium and/or the Universities, in addition to office and health/educational uses.

Policy DM24 (Protection of Biodiversity and Geodiversity): Modification to ensure that the wording of the policy is consistent with the revised National Planning Policy Framework published in February 2019.

3 Publication and Consultation

3.1 It is a statutory requirement that proposed main modifications to the LPP2 are published for consultation over a period of at least six weeks. The Inspector is unable to recommend a main modification to remedy unsoundness unless anyone whose interests may be prejudiced has had an opportunity to comment on it.

3.2 All statutory bodies, together with individuals or organisations that previously commented on the LPP2, will be directly notified. The Schedule of Proposed Modifications will also be publicised on the Council's web site, through press releases, and working in partnership with town and parish councils. Paper copies of the document will be made available in local libraries and at Southover House. Comments received will be forwarded to the Inspector for consideration.

- 3.3 Evidence supporting the proposed main modifications, including sustainability appraisal, will also be made available for public comments when the Schedule of Main Modifications is published. The Inspector's final report on the LPP2 will not be issued until the consultation responses and sustainability appraisal are available and have been considered by him. The amendments to the Sustainability Appraisal are included as Appendix 3 to this report.
- 3.4 It is not considered that the main modifications have any implications for the Habitat Regulations Assessment published alongside the Submission LPP2.
- 3.5 There is no statutory requirement to publish or consult upon minor modifications that have been proposed by the Council as matters of clarification, factual correction or update. Such modifications cannot be recommended by the Inspector in his final report because only the main modifications are formally considered as part of the examination. However, an amended version of the submitted LPP2, showing all the proposed modifications as 'track changes', will be published alongside the Schedule of Main Modifications for reference purposes.

4 Next steps

- 4.1 The anticipated timetable for progressing the LPP2 to adoption is shown below.

Stage of Local Plan Preparation	Date
Consultation on the Schedule of Main Modifications	July - August 2019
Process and submit duly made representations	September 2019
Inspector's draft report received for fact checking	Autumn 2019
Council's submits its fact check (2 weeks)	Autumn 2019
Inspector's final report published	Late 2019
Adoption (by Full Council)	Late 2019

- 4.2 This anticipated timetable may be influenced by the number and content of representations received on the proposed main modifications and how long the Inspector needs to fully consider them.

5 Financial appraisal

- 5.1 The financial implications of publishing the Schedule of Main Modifications will be minimal, primarily the costs associated with printing and postage. These costs will be met within the existing budget for adopting the LPP2.

6 Legal implications

- 6.1 The statutory framework for the examination of the Local Plan is set out in the Planning and Compulsory Purchase Act 2004. The Act determines the stages the Council must go through in order to adopt the Local Plan. These stages are explained within the body of this report.
- 6.2 The Act requires that when the Local Plan is submitted to the Inspector, the Inspector must be satisfied that the plan is legally compliant and is sound.
- 6.3 If the Inspector decides that the Local Plan is not legally compliant and sound, the Council will be invited to resolve these concerns by making (main) modifications to the Local Plan prior to the Inspector issuing his final report.
- 6.4 The Town and Country Planning (Local Planning) (England) Regulations 2012 requires the Council to publish and invite representation from the public in respect of the proposed main modifications to the Local Plan
- 6.5 Regulation 4(4) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provides that Cabinet can lawfully approve the publication of the proposed main modifications as this relates to the function of amending, modifying, varying or revoking a Local Plan to the extent that the making of the amendment, modification, variation or revocation is required for giving effect to requirements of the Secretary of State in relation to a plan or strategy submitted for his approval, or to any part so submitted.
- 6.6 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 also provides that the subsequent adoption of a Local Plan is a function that can only be carried out by Full Council.

Legal Implications provided by JCS 10.06.19 – IKEN 8331

7 Risk management implications

- 7.1 The following risk will arise if the recommendations are not implemented; this risk can be mitigated as outlined below:

Risk

If the proposed main modifications to the LPP2 are not published in accordance with statutory requirements, the Council will have no alternative but to withdraw the plan from examination.

Mitigation

If the recommendations are approved and implemented, the LPP2 can be progressed to adoption in accordance with the Council's adopted Local Development Scheme, thereby providing a comprehensive and up-to-date development plan for that part of the district outside of the South Downs National Park.

8 Equality analysis

- 8.1 An Equality and Fairness Analysis for the LPP2 has been completed previously and there are no significant changes proposed to the LPP2 that would impact on groups with protected characteristics.

9 Appendices

Appendix 1 - Schedule of Main Modifications

Appendix 2 - Policy E1: Site area as proposed to be modified.

Appendix 3 – Amendments to the Sustainability Appraisal (**to follow**)

10 Background papers

The background papers used in compiling this report were:

- Lewes District Local Plan Part 2: Submission Document
- Sustainability Appraisal: Submission Document
- Habitat Regulations Assessment: Submission Document

All the background papers are available at: <https://www.lewes-eastbourne.gov.uk/planning-policy/local-plan-part-2-examination/>

Lewes District Local Plan Part 2: Site Allocations and Development Management Policies

Schedule of Main Modifications

The modifications expressed below are expressed either in the conventional form of ~~strikethrough~~ for deletions and underlining for additions of text, or by specifying the modifications in words in *italics*.

The page numbers and paragraph numbering below refer to the submission Local Plan, and do not take account of the deletion or addition of text.

MM No	CD12/80 Ref	Submitted Local Plan Reference	Proposed Change
MM1	M03	Paragraph 1.19, page 11	<p><i>Habitats Regulation Assessment</i> <i>Amend paragraph 1.19 after: "The Habitat Regulations Assessment" as follows:</i> published alongside this document constitutes a number of individual reports and addendums that demonstrate that there will be no Likely Significant Effect on any of the protected areas as a result of implementing the Local Plan Part 1 or Part 2 only recreational impacts on the Ashdown Forest SPA/SAC from residential development within 7km will require <u>Appropriate Assessment</u>. For all other impact pathways, a conclusion of <u>No Likely Significant Effects on European Sites</u> is reached.</p>
MM2	M04	Following paragraph 1.19	<p><i>Habitats Regulation Assessment</i> <i>New paragraph in supporting text to read:</i> Mitigation measures contained within the Local Plan Part 1 Core Policy 10 (3i) can be applied at the <u>Appropriate Assessment stage</u> and, as such, in <u>accordance with the Habitats Regulations Assessment</u> it is therefore possible to conclude that there will be <u>no adverse effect on the integrity of any European sites due to growth in Local Plan Part 1 or 2, either alone or in combination with other plans and projects.</u></p>
MM3	M05	Policy NH01, page 20	<p><i>Policy NH01: Land South of Valley Road</i> <i>Amend policy NH01 by adding an additional criterion to read:</i> (c) <u>Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;</u></p>
MM4	M07	Supporting text to policy NH01, page 21	<p><i>Policy NH01: Land South of Valley Road</i> <i>Following paragraph 2.28, add new paragraph to read:</i> The site lies within Flood Zone 1 (at least risk of flooding). However, a risk of surface water flooding has <u>been identified associated with a major overland flow route, along the site's northern boundary. Therefore, to ensure that flood risk is not created, or exacerbated, on</u></p>

			or off-site by the development, consideration should be given to the design and layout of the site. <u>A specific flood risk assessment may also be required, and mitigation implemented accordingly.</u>
MM5	M10	Policy NH02, page 22	<i>Policy NH02: Land at The Marina</i> <i>Amend criterion (e) of policy NH02 to read:</i> e) Development is subject to investigation into potential contamination and appropriate mitigation <u>remediation</u> measures agreed with the relevant authority;
MM6	M37	Following paragraph 2.38, page 24	<i>Policy NH02: Land at The Marina</i> <i>New paragraph in supporting text to read:</i> <u>Development will be required to submit a desk study, conceptual model, site investigation, risk assessment and Remedial Method Statement for contaminated land in line with best practice approaches and carried out by or under the direction of a suitably qualified competent person and in accordance with most recent guidance.</u>
MM7	M38	Following paragraph 2.38, page 24 and MM5	<i>Policy NH02: Land at The Marina</i> <i>New paragraph in supporting text to read:</i> <u>Where additional moorings are provided, consideration must be given to the management of additional waste and sewage arising. Appropriate services, such as toilets and pump-out facilities, should be provided where appropriate to reduce the risk to water quality from recreational boating. The size of the pump-out facility should be appropriate to that of the development and agreed by the local planning authority prior to construction.</u>
MM8	M11 and M36	Policy NH02, page 22	<i>Policy NH02: Land at The Marina</i> <i>Add new text in criterion (g), after “biodiversity”:</i> <u>There should be no net loss, and seek to provide a net gain to biodiversity, in particular to Habitats of Principal Importance (formerly known as BAP habitats). Where impacts on biodiversity cannot be avoided or mitigated, like-for-like compensatory habitat at or close to the development site will be required. Development allows for the protection of biodiversity and enhancement where possible.</u>
MM9	M34	Policy NH02, page 22	<i>Policy NH02: Land at the Marina</i> <i>Add new text at the end of criterion (b) to read:</i> <u>Where there is a net increase in the number of berths, appropriate toilet and pump-out facilities must be provided to manage waste and sewage arising.</u>
MM10	M13	Policy BH01, page 26	<i>Policy BH01: Land at The Nuggets, Valebridge Road</i> <i>Amend policy BH01 by inserting additional criterion, to read:</i> g) <u>Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority</u>

			and implemented accordingly;
MM11	M16	Supporting text to policy BH01, page 28	<p>Policy BH01: Land at The Nuggets, Valebridge Road <i>Following paragraph 2.51, insert new paragraph to read:</i> <u>The site lies within Flood Zone 1 (at least risk of flooding). However, a risk of surface water flooding has been identified associated with overland flow routes running north-south through the site. Therefore, to ensure that flood risk is not exacerbated, on or off-site, by the development, consideration should be given to the design and layout of the site. A specific flood risk assessment may also be required, and mitigation implemented accordingly.</u></p>
MM12	M39	Policy BH01, page 26	<p>Policy BH01: Land at The Nuggets, Valebridge Road <i>Amend criterion (d) to read:</i> <u>Tree surveys undertaken and appropriate measures, including proper buffers, are identified and implemented accordingly to mitigate potential adverse impacts on the Tree Protection Order group and Ancient Woodland (at least 15m buffer) on and/or adjacent to the site.</u></p>
MM13	-	Policy CH02, page 41	<p>Policy CH02: Layden Hall, East Grinstead Road <i>Amend criterion (a) to read after East Grinstead Road:</i> Including safe and convenient pedestrian access to the nearest bus stop.</p>
MM14	M19	Policy RG01, page 49	<p>Policy RG01: Caburn Field <i>Amend policy RG01 by inserting an additional criterion to read:</i> <u>(f) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;</u></p>
MM15	M21	Supporting text to policy RG01, page 51	<p>Policy RG01: Caburn Field <i>Following paragraph 2.127, insert new paragraph to read:</i> <u>The site lies within Flood Risk Zone 1 (at least risk from flooding). However, a risk of surface water flooding has been identified associated with overland flow routes running both through the site and in close proximity to the site. Therefore, to ensure that flood risk is not exacerbated, on or off-site by the development, consideration should be given to the design and layout of the site. A specific flood risk assessment may also be required, and mitigation implemented accordingly.</u></p>
MM16	M41	Policy GT01, page 53	<p>Policy GT01: Land South of The Plough <i>Amend criterion (b) to read:</i> (b) Development <u>The site</u> should be levelled and laid out to provide sufficient room to allow vehicles to turn around within the site.</p>

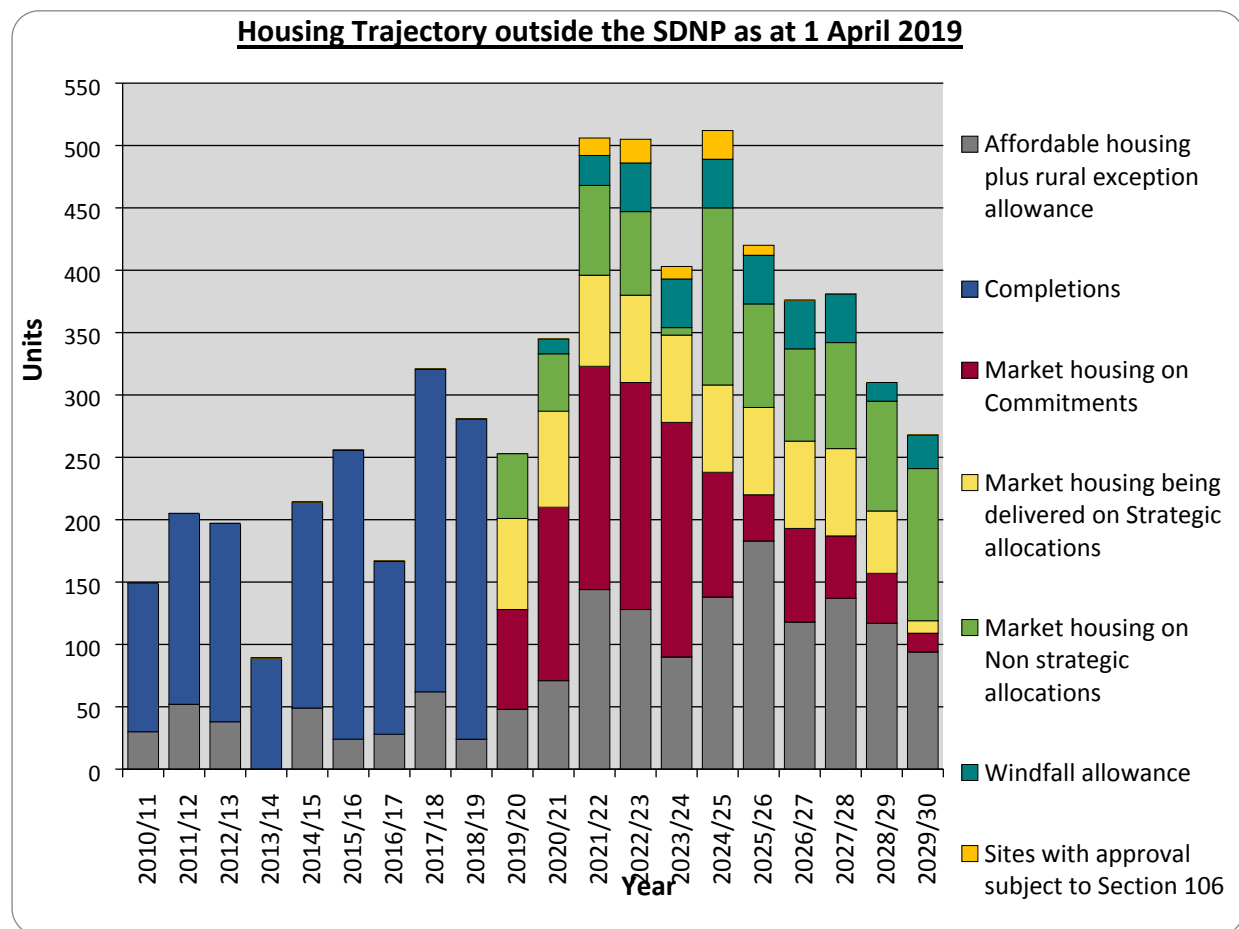
MM17	M40	Policy GT01, page 53	<p><i>Policy GT01: Land South of The Plough</i> <i>Add new criterion (h) to read:</i> <u>The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water; if non-mains drainage, an environmental permit will be required.</u></p>
MM18	M23	Following paragraph 3.17, page 59	<p><i>Policy E1: Land at East Quay, Newhaven Port</i> <i>Note: Further modification to Modification 23 in CD 012: Following paragraph 3.17, insert additional paragraphs to read:</i> <u>The majority of the site is located within the Tide Mills Local Wildlife Site, a non-statutory designation made in 1993 in recognition of the value of the coastal and floodplain grazing marsh and coastal vegetated shingle. These habitats are now included on the Government's list of habitats of principal importance for biodiversity conservation in England. Any development must therefore ensure that any loss or damage to the nature conservation interest of the site can be mitigated to achieve a net gain in biodiversity, in accordance with Policy DM24 (Protection of Biodiversity and Geodiversity). Appropriate mitigation should be identified by the applicant, along with the means for its delivery and maintenance.</u></p> <p><u>Appropriate mitigation should be identified by the applicant, along with the means for its delivery and maintenance. It is anticipated that such mitigation may include bringing the wider area of the Tide Mills Local Wildlife Site into positive management, including habitat creation (e.g. the creation of wet scrapes for birds) and controls on dog walking in order to avoid the more ecologically sensitive areas. This will involve working in partnership with all relevant organisations, including the Ouse Estuary Project.</u></p> <p><u>Due to the open nature of the coastline in this location, development is also likely to have an impact upon the setting of the South Downs National Park. Development proposals should therefore have due regard to Core Policy 10 (<i>Natural Environment and Landscape Character</i>) of the Local Plan Part 1, which seeks to conserve and enhance the landscape quality and scenic beauty of the Park and be informed by the South Downs Integrated Landscape Character Assessment accordingly.</u></p> <p><u>Development of the site also has the potential to affect the setting of the Newhaven Fort Scheduled Monument and the Tidemills Archaeological Notification Area. The remains of the WW1 seaplane base also needs to be protected. Development proposals should therefore be accompanied by a heritage impact assessment and an appropriate archaeological assessment and evaluation</u></p>

			<p>of the site's archaeological and historic interest, in accordance with Policy DM33 (<i>Heritage Assets</i>) and Core Policy 11 (<i>Built and Historic Environment and High Quality Design</i>) of the Local Plan Part 1.</p> <p>A public footpath, which forms part of the proposed England Coast Path, runs through the site and any development proposals will be required to mitigate any harmful impact on the convenience, safety and amenity of this right of way, in accordance with Policy DM35 (<i>Footpath, Cycle and Bridleway Network</i>).</p>
MM19	-	Following paragraph 3.17, page 59	<p><i>Policy E1: Land at East Quay, Newhaven Port</i> <i>New paragraph in supporting text to read:</i> <u>The exclusion of the area of the port from the submitted proposed port expansion, i.e. covering the vegetated shingle habitat to the south of the bunded footpath, would ensure the protection of the Seaplane base, which is an important although undesignated, heritage asset.</u></p>
MM20	M24	Policy E1, page 59	<p><i>Policy E1: Land at East Quay, Newhaven Port</i> <i>Amend policy E1 to read:</i></p> <p>Policy E1: Land at East Quay, Newhaven Port</p> <p>Land at East Quay, as defined on the Policies Map (i.e. excluding the area of vegetated shingle habitat, situated to the south of the bunded footpath, which was included in the submitted Policy E1), is allocated for employment uses associated with Newhaven Port. Employment development which is not associated with port-related activity will be permitted only where it can be demonstrated that such development would not undermine the operational use of the Port. All development proposals should ensure that the visual impact on the landscape and scenic beauty of the South Downs National Park is minimised. Development will be permitted subject to compliance with all appropriate development policies and the following criteria:</p> <ul style="list-style-type: none"> (a) <u>An ecological impact assessment is undertaken, and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity;</u> (b) <u>A visual and landscape character assessment is undertaken to ensure that the visual impact on the landscape and scenic beauty of the South Downs National Park is minimised;</u> (c) <u>An appropriate assessment and evaluation of archaeological potential is undertaken, and any necessary mitigation measures implemented; and</u>

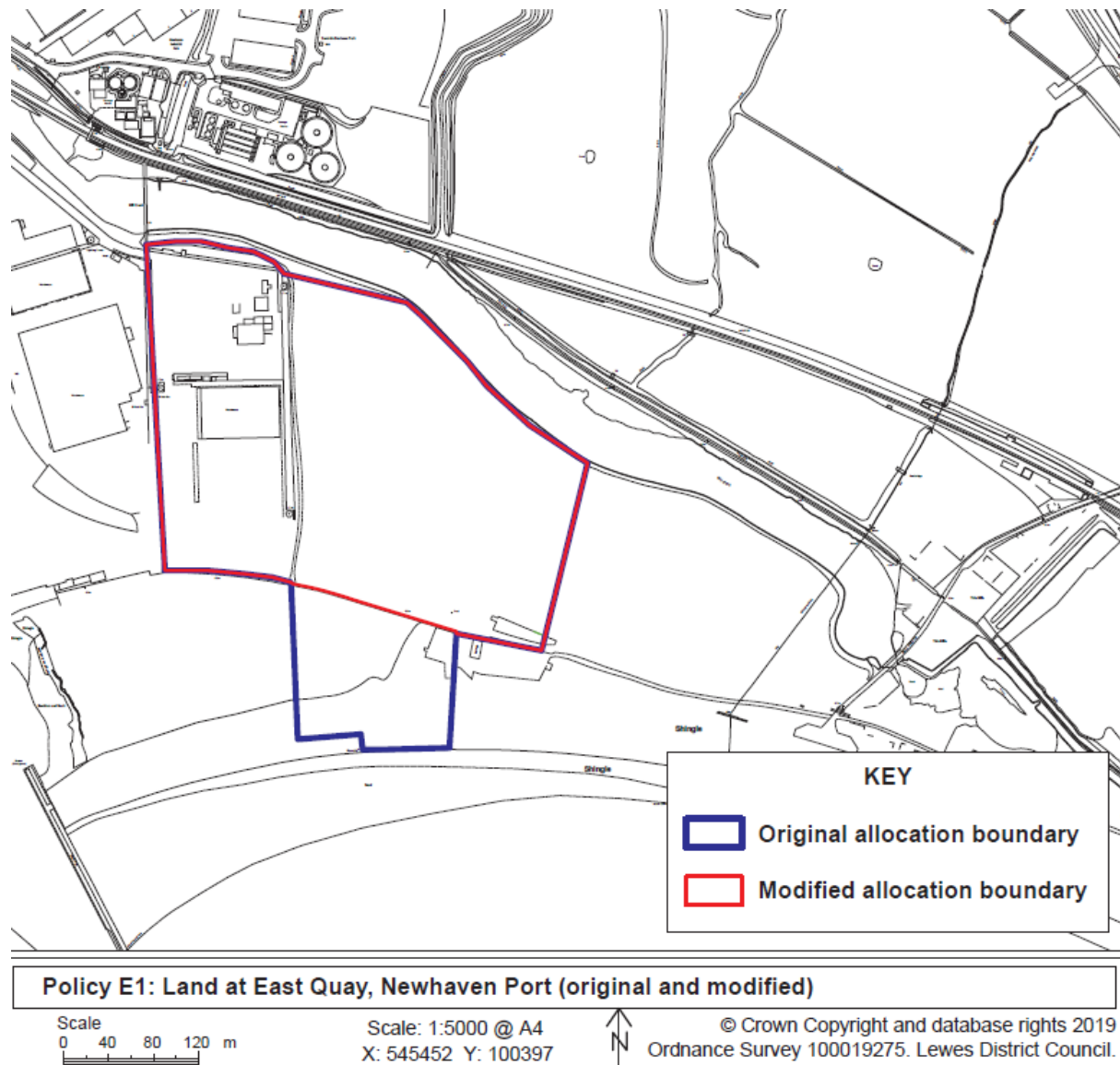
			(d) <u>The provision of a landscaped buffer to the east of the site to create a buffer zone to protect the Nature Reserve immediately to the east of the proposed port expansion.</u>
MM21	M42	Paragraph 3.21, page 61	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i> <i>Amend paragraph 3.21 to read:</i> The design and massing of any proposed development will also need to consider the visual impact on both the Grade II registered Stanmer Park and the Listed Buildings within the University of Sussex campus. Careful consideration should be given to the choice of materials which should be complementary to those of the stadium, yet distinct and subservient, and designed to fit comfortably within the site's downland context. <u>The design and materials used should reflect the setting of the South Downs National Park, specifically paying reference to the South Downs Integrated Landscape Character Assessment (SDILCA) prepared by the South Downs National Park Authority.</u></p>
MM22	M43	Paragraph 3.23, page 61	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i> <i>Amend paragraph 3.23 to read:</i> Any development of land within the boundary of Brighton and Hove City Council will need to take account of the priorities set out in policy DA3 (Lewes Road Development Area) of the adopted Brighton & Hove City Plan Part 1. The main thrust of the City Council's strategy for the Lewes Road Development Area is to promote and enhance the role of the area for higher education, whilst securing improvements to the townscape, the public realm, green infrastructure, biodiversity and air quality. <u>In addition, sustainable transport infrastructure is required to ensure that the development does not have an adverse impact on the performance of the Falmer Interchange trunk road junction at the A27/B2123 Falmer junction.</u></p>
MM23	-	Policy E2, page 61	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i> Land adjacent to the American Express Community Stadium, as identified on the Policies Map, is allocated for B1a (offices) and/or D1 (health/education) <u>and/or other ancillary uses directly associated with the Stadium and/or Sussex and Brighton Universities.</u></p>
MM24	M28	Policy E2, page 62	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i> <i>Amend criterion (d) of policy E2 to read:</i> (d) The provision of green infrastructure and wider landscaping enhancements through creative landscape solutions (including features such as green walls and</p>

			roofs);
MM25	M46	Policy DM24, page 95	<p><i>Policy DM24: Protection of Biodiversity and Geodiversity</i></p> <p><i>Amend the third paragraph of policy DM24 to read:</i></p> <p>Development that would be likely to adversely affect a Site of Special Scientific Interest (SSSI), National Nature Reserve (NNR), or a Marine Conservation Zone (MCZ), <u>either individually or in combination with other developments, will only be permitted where the benefits of the development at this site, in the location proposed clearly outweigh the damage to the nationally recognised special interest of the designated site and any adverse impacts on the wider network of the SSSIs.</u></p>
MM26	M48	Policy DM24, page 95	<p><i>Policy DM24: Protection of Biodiversity and Geodiversity</i></p> <p><i>Insert a new penultimate paragraph into policy DM24 to read:</i></p> <p><u>Development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland or veteran trees) will be refused, unless there are wholly exceptional circumstances and a suitable compensation strategy exists.</u></p>
MM27	-	New Appendix 5	<p><i>Appendix 5 – Local Plan Part 2 Housing Trajectory</i></p> <p><i>Insert new appendix, including table and graph shown on the following page, to read:</i></p> <p><u>The Housing Trajectory indicates the anticipated delivery of market and affordable housing for the area of the district outside the South Downs National Park. The trajectory covers the plan period between 2010/11 and 2029/30. The Local Plan Part 2 reflects the disaggregated housing requirement figure of minimum 5,494 net additional units up to 2029/30.</u></p> <p><u>The trajectory reflects the housing trajectory position as at 1 April 2019. It is informed by the Local Plan Part 1, neighbourhood plans, the monitoring of housing commitments and completions, as well as the 2018 Strategic Housing and Economic Land Availability Assessment (SHELAA). The trajectory consists of several elements: completions (first nine years of the Plan); commitments; strategic and non-strategic allocations; and windfall allowance. The graph below indicates the anticipated delivery of these elements. The anticipated delivery of affordable units is also shown.</u></p>

Graph and Table to accompany new text in MM27



POLICY E1: Site area as proposed to be modified



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Lewes District Local Plan Part 2: Site Allocations and Development Management Policies

Proposed Main Modifications

Addendum to the Sustainability Appraisal

June 2019

Contents

1. Introduction
2. Background
3. Local Plan Part 2 Examination
4. Methodology
5. Sustainability Framework
6. Assessment of Main Modifications
7. Reasonable alternatives
8. Mitigation and Monitoring
9. Conclusion

1. Introduction

- 1.1. The Lewes District Local Plan is a set of planning documents for Lewes District that guides development in its area. The Lewes District Local Plan Part 1: Joint Core Strategy 2010-2030 (Joint Core Strategy) sets out the framework to guide strategic growth across the district to 2030.
- 1.2. The Lewes District Local Plan Part 2: Site Allocations and Development Management Policies Development Plan Document (Local Plan Part 2) has been prepared to support and deliver the strategic objectives and spatial strategy of the Joint Core Strategy for the area of the district that lies outside the South Downs National Park. It will allocate sites for housing and employment and provide detailed planning policies to guide development and change in the period to 2030.
- 1.3. The Local Plan Part 2 was submitted to the Secretary of State for examination in December 2018. An Inspector was appointed to conduct the examination in public in January 2019 and hearing sessions took place in April 2019. Subsequently, the Inspector has recommended that a Schedule of Main Modifications to the Local Plan Part 2 should be published for public consultation.
- 1.4. Under European and national legislation, planning documents must be subject to a Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA). This report appraises the proposed Main Modifications to the Local Plan Part 2 against the agreed sustainability framework. It forms an addendum to the SA (incorporating a SEA) submitted to the Secretary of State in December 2018.

2. Background

- 2.1. The commitment to the achievement of sustainable development was set out in legislation introduced at both a European and national level. In 2004 the European Directive on Strategic Environmental Assessment (known as the SEA Directive) was implemented in the UK, as was the Planning and Compulsory Purchase Act. These pieces of legislation set out the requirement for SEA and SA of plans, such as the Local Plan Part 2.
- 2.2. A SA aims to predict and assess the economic, social and environmental effects that are likely to arise from plans. It is a process for understanding whether policies, strategies or plans promote and achieve sustainable development, and for improving them to deliver more sustainable outcomes.
- 2.3. The SEA aims to predict and assess the environmental effects that are likely to arise from plans, policies and strategies. It is a process for assessing and

mitigating the likely negative environmental impacts of specific plans and programmes. For the purposes of undertaking the SA and SEA of the Local Plan Part 2, the SEA process has been incorporated into the SA process. Therefore, where this report solely refers to the SA it can be assumed that this also means the SEA.

- 2.4. SA reports are produced to accompany plans, in this case the Local Plan Part 2. As such, the production processes of SAs and plans work in tandem. The table below shows the previous production stages of both documents. All the documents listed can be downloaded from <https://www.lewes-eastbourne.gov.uk/planning-policy/local-plan-part-2-examination/>

Table 1 Local Plan Part 2 and SA Production Process

Local Plan Preparation Stage	Sustainability Appraisal (SA) Production Stage	Completion Date
Issues and Options	Scoping Report	January 2014
Consultation Local Plan	Consultation SA Report	November 2017
Pre-Submission Local Plan	Pre-Submission SA Report	September 2018
Submission Local Plan	Submission SA Report	December 2018

3. Local Plan Part 2 Examination

- 3.1. The examination in public commenced immediately after the submission of the Local Plan Part 2 to the Secretary of State in December 2018. The purpose of the examination is to focus on the main issues that the Inspector considers are of critical importance to the soundness of the plan. Many of these issues were identified by public representations received in response to the publication of the Pre-Submission document in September 2018. However, a number of other issues were also raised by the Inspector during the examination.
- 3.2. The examination in public hearings enabled the Inspector to discuss these fundamental issues in depth with the Council and invited participants. Following the hearing sessions, the Inspector recommended that the Council publish a Schedule of Main Modifications, which must be subject to sustainability appraisal and public consultation in order for the plan to be found sound. This schedule is available to download from the Council's web site. The proposed main modifications were informed by discussions at the examination hearing sessions.
- 3.3. The Inspector has not proposed any modifications that would result in the deletion of any of the existing policies in the submission LPP2. However, he has proposed amendments to the wording of the following policies and their

associated supporting text: **NH01** (Land south of Valley Road, Newhaven), **NH02** (Land at The Marina, Newhaven), **BH01** (Land at Nuggets, Valebridge Road, Wivelsfield), **CH02** (Layden Hall, East Grinstead Road, Chailey), **RG01** (Caburn Field, Ringmer), **GT01** (Land South of the Plough), **E1** (Land at East Quay, Newhaven Port), **E2** (Land adjacent to American Express Community Stadium, Falmer), and **DM24** (Protection of Biodiversity and Geodiversity).

4. Methodology

What is included within this SA?

- 4.1. This document considers the need to revise the appraisal in light of the proposed Main Modifications. The Modifications are assessed in the context of the overall policy and accompanying supporting text being amended. The accompanying table for each policy essentially replaces the assessment table for that policy in the submission SA. Additional commentary under section 6 for each policy should be considered alongside the commentary included in the submission SA.

Meeting the Requirements of the SEA Directive

- 4.2. In preparing the SA Reports for the Local Plan Part 2, the SEA Directive and the Environmental Assessment of Plans and Programmes Regulations 2004 (The SEA Regulations), which transpose the Directive into English law, have been followed. This report comes alongside the submission report where the details on how the requirements have been met have been included.

5. Sustainability Framework

- 5.1. During the preparation of the Sustainability Appraisal, a set of objectives, questions and indicators have been developed which have formed a sustainability framework. This framework has been used to test the Local Plan Part 2 policy options and proposed policies.
- 5.2. The same sustainability framework has been used within this report. It can be found in Table 2.

APPENDIX 3

Table 2 The Sustainability Framework

OBJECTIVES	QUESTIONS TO CONSIDER	INDICATORS	SEA FACTORS
SOCIAL			
1. To ensure that everyone has the opportunity to live in a decent, sustainably constructed and affordable home. (Housing)	Does the approach add to the housing stock? Does the approach help meet affordable housing needs? Does the approach meet the needs of all members of the community? Does the approach lead to more sustainably constructed homes?	<ul style="list-style-type: none"> • Net housing completions per annum • Net affordable housing completions per annum • Lower quarter house prices • House prices to earnings ratio • Households on housing needs register • Number of households considered homeless • Percentage of unfit dwellings • Net additions Gypsy and Traveller pitches 	Population
2. To reduce poverty and social exclusion and close the gap between the most deprived areas and the rest of the Plan Area. (Deprivation)	Does this approach benefit the most deprived areas of the district? Does the approach support social inclusion?	<ul style="list-style-type: none"> • Rank and change in rank of Lewes District in the Index of Multiple Deprivation • Number and location of SOAs in the Plan Area considered to be in the most deprived 30% in the country 	Population
3. To increase travel choice and accessibility to all services and facilities. (Travel)	Does this approach encourage sustainable modes of transport? Will this approach have an impact on out-commuting? Will the approach increase congestion?	<ul style="list-style-type: none"> • Number of large development completions estimated to be within 30 minutes of public transport and walking and cycling journey time of services • Mode of travel to work • Levels of out-commuting • Percentage of the district connected to the internet 	Population Material Assets
4. To create and sustain vibrant, safe and distinctive communities. (Communities)	Will the approach impact on the happiness of the community? Does the approach impact on community safety?	<ul style="list-style-type: none"> • Percentage of people satisfied with their local area as a place to live • Change in number of community meeting facilities 	Population Material Assets Human Health

APPENDIX 3

OBJECTIVES	QUESTIONS TO CONSIDER	INDICATORS	SEA FACTORS
	Does the approach create additional community facilities?	<ul style="list-style-type: none"> • Change in the amount of public open space • Crime rate per 1000 of the population 	
5. To improve the health of the Plan Areas population. (Health)	Will the approach benefit the health of the population? Does the approach reflect the needs of the elderly and disabled population?	<ul style="list-style-type: none"> • Life expectancy at birth • Percentage of population not in good health • Percentage of the population over 65 	Human Health Population
6. To improve the employability of the population, to increase levels of educational attainment and to improve access to educational services. (Education)	Will the approach increase attainment at schools? Will the approach increase the skill levels of the district? Will the approach improve access to educational services?	<ul style="list-style-type: none"> • Students achieving 5 or more A*-C GCSE grades (including Maths and English) • Numbers of adult learners • Percentage of adults without any qualifications • Percentage of adults with degree level (or equivalent) qualification 	Population Material Assets
Environmental			
7. To improve efficiency in land use through the re-use of PDL and existing buildings and minimising the loss of valuable greenfield land. (Land efficiency)	Does the approach bring vacant units back into use? Does the approach promote the best use of brownfield land? Will the approach protect quality agricultural land?	<ul style="list-style-type: none"> • Percentage of new homes built on PDL • Number of empty homes • Density of new dwellings • Amount of grade 1, 2 and 3 agricultural land lost to new development¹ 	Soil Landscape Material Assets
8. To conserve and enhance the biodiversity of the Plan Area. (Biodiversity)	Will the approach affect nationally important wildlife and geological sites? Does the approach seek to protect	<ul style="list-style-type: none"> • Condition and size of SSSIs • Number and extent of LWSs and LNRs • Area of ancient woodland 	Fauna Flora Biodiversity

¹ Planning policy seeks to protect the best and most versatile land; this represents grades 1-3a in the agricultural land use classification. Our GIS system does not distinguish between 3a(good) and 3b(moderate) and thus it will be difficult to accurately assess the impact of the LPP2 using this indicator.

APPENDIX 3

OBJECTIVES	QUESTIONS TO CONSIDER	INDICATORS	SEA FACTORS
	LNRs (Local Nature Reserves) and LWSs (Local Wildlife Sites)? Does the approach protect areas of ancient woodland?		
9. To protect, enhance and make accessible the Plan Area's countryside and historic environment. (Environment)	Does the approach have an impact on listed buildings? Does the approach allow access to the countryside? Will the approach impact on the valued landscape?	<ul style="list-style-type: none"> • Number of listed buildings on the buildings at risk register • Amounts of Rights of Way • Low/negligible sites in Plan Area as identified in the Landscape Capacity Study 	Landscape Cultural Heritage Archaeological Heritage
10. To reduce waste generation and disposal, and achieve the sustainable management of waste. (Waste)	Will the approach reduce the generation of waste? Will the approach increase recycling rates?	<ul style="list-style-type: none"> • Domestic waste produced per head of population • Percentage of waste that is recycled or reused 	Material Assets Human Health
11. To maintain and improve water quality and encourage its conservation, and to achieve sustainable water resources management. (Water)	Does the approach encourage the reduction in water consumption? Will the approach have a positive impact on water quality?	<ul style="list-style-type: none"> • Biological, ecological and physico-chemical quality of water • Bathing water quality • Water consumption per capita 	Water
12. To reduce the emissions of greenhouse gases, to reduce energy consumption and increase the proportion of energy generated from renewable sources.	Will the approach reduce carbon dioxide emissions? Does the approach reduce energy consumption? Will the approach increase the proportion of energy from renewable sources?	<ul style="list-style-type: none"> • Annual consumption of energy per user • Percentage of waste converted to energy • Number of grants for renewable energy installations obtained • Number of planning applications received relating to renewable energy • Carbon dioxide emissions per sector 	Air Climatic Factors Material Assets

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OBJECTIVES	QUESTIONS TO CONSIDER	INDICATORS	SEA FACTORS
(Energy)			
13. To improve the Plan Area's air quality. (Air quality)	Does the approach increase air pollution? Will the approach lead to any additional AQMA designations? Will the approach lead to negative impact on the existing AQMA?	<ul style="list-style-type: none"> • Number of Air Quality Management Areas • Air Quality Action Plan Indicators? 	Air Human Health
14. To reduce the risk of flooding and the resulting detriment to public wellbeing, the economy and the environment. (Flooding)	Will the approach impact on flooding? Does the approach reduce the risk of flooding?	<ul style="list-style-type: none"> • Number of residential properties at risk of flooding • Number of new developments with sustainable drainage systems or developments that minimise water consumption • Amount of land in flood risk zones 2 and 3 as a percentage of the Plan Area's coverage • Number of planning applications granted contrary to the advice on the Environment Agency flood defence grounds (fluvial) 	Human Health Water Climatic Factors Material Assets
15. To ensure that the Plan Area is prepared for the impacts of coastal erosion and tidal flooding. (Coastal Erosion)	Will the approach have an impact on or be impacted by coastal erosion? Will the approach increase the risk of tidal flooding?	<ul style="list-style-type: none"> • Amount of erosion to coastal areas • Number of planning applications contrary to the advice by the Environment Agency on flood defence grounds (tidal) 	Water Climatic Factors Human Health Material Assets
Economic			
16. To promote the economic growth of the Plan Area by encouraging vitality and regenerating and	Will the amount of employment land increase? Will this approach create jobs? Will the policies / allocations help bring about the regeneration of the	<ul style="list-style-type: none"> • New business registration rate • Floorspace developed by employment type by PDL in coastal towns • Losses of employment land in employment regeneration areas 	Population

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OBJECTIVES	QUESTIONS TO CONSIDER	INDICATORS	SEA FACTORS
strengthening the economies of the coastal towns. (Economy)	coastal towns? Will this approach reduce the high unemployment rates in the coastal towns? Will the approach reduce retail vacancy rates?	<ul style="list-style-type: none"> • Retail unit vacancy rates in town centres • Number of vacant sites brought back into use in coastal towns • Amount of completed retail, office and leisure floorspace (net) 	
17. To support and expand the rural economy. (Economy)	Does the approach support the rural economy?	<ul style="list-style-type: none"> • Commercial permissions in rural areas. 	Population
18. To encourage the growth of a buoyant and sustainable tourism sector. (Tourism)	Will the approach increase the amount of jobs in the tourism sector? Will more people visit the district as a result of this approach?	<ul style="list-style-type: none"> • Number of jobs in the tourism sector • Contribution to the district's economy made by visitors 	Population

6. Assessment of Main Modifications

- 6.1. This section presents the appraisal findings in relation to the Main Modifications to the Submission Local Plan Part 2. A number of the Modifications results in changes to policy supporting text, which do not require new standalone assessments, instead these changes inform the assessment of policy by providing additional context or clarity. The Main Modifications have, therefore, been assessed in the context of the overall policy being modified rather than in isolation. Where a Main Modification results in a change in policy wording, the policy was re-assessed taking account of the relevant Main Modification(s). The new policy will be included within this report for ease of reference.
- 6.2. For each policy/topic, the relevant extract from the Schedule of Main Modifications has been included, for ease of reference this is shown in light blue shaded box. Modifications are expressed either in the conventional form of ~~striketrough~~ for deletions and underlining for additions of text, or by specifying modifications to words in *italics*. The page numbers and paragraph numbering within the extracts from the Schedule of Main Modifications refer to the submission Local Plan.
- 6.3. The amendments made to the sustainability appraisal tables that reflect the assessment of the Main Modifications are in **red text** and marked with ~~striketrough~~ for deletions and underlining for addition of text.
- 6.4. The tables below show how the policies were appraised.

Table 3 Policies Appraisal Key

Symbol	Meaning	Symbol	Meaning
++	Likely significant positive effect	S	Short term impact (approximately 2013 – 2018)
+	Likely positive effect	M	Medium term impact (approximately 2018 – 2024)
0	No likely effect	L	Long term impact (approximately 2025 – 2030)
?	Uncertain effect		
-	Likely negative effect		
--	Likely significant negative effect		

Table 4 Method for assessing policies

Objectives	S	M	L	Explanation
Objective 1	-	+	++	In this example, the policy would have a likely negative effect on objective 1 on the short-term, a possible positive effect on the objective in the medium term and would likely have a significant positive effect by the end of the plan period.

Habitats Regulation Assessment

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM1	M03	Paragraph 1.19, page 11	<p><i>Habitats Regulation Assessment</i> <i>Amend paragraph 1.19 after: "The Habitat Regulations Assessment" as follows:</i> published alongside this document constitutes a number of individual reports and addendums that demonstrate that there will be no Likely Significant Effect on any of the protected areas as a result of implementing the Local Plan Part 1 or Part 2 only <u>recreational impacts on the Ashdown Forest SPA/SAC from residential development within 7km will require Appropriate Assessment. For all other impact pathways, a conclusion of No Likely Significant Effects on European Sites is reached.</u></p>
MM2	M04	Following paragraph 1.19	<p><i>Habitats Regulation Assessment</i> <i>New paragraph in supporting text to read:</i> <u>Mitigation measures contained within the Local Plan Part 1 Core Policy 10 (3i) can be applied at the Appropriate Assessment stage and, as such, in accordance with the Habitats Regulations Assessment it is therefore possible to conclude that there will be no adverse effect on the integrity of any European sites due to growth in Local Plan Part 1 or 2, either alone or in combination with other plans and projects.</u></p>

6.5. The above modifications are to ensure consistency with the Habitat Regulations Assessment (HRA), the outcome of which must be presented in the Sustainability Appraisal. Natural England highlighted the inconsistency at the Pre-Submission Regulation 19 consultation stage and the Council proposed a minor modification as above to correct the text in the Local Plan Part 2. The Inspector has elevated them to Main Modifications.

6.6. Natural England identified in their representation:

"We advise that the Habitats Regulations Section presented in the Pre-Submission document does not concur with the findings of the accompanying Habitats Regulations Assessment for the Local Plan Part 2. Although Natural England agrees with the findings of the attached HRA, following the recent People Over Wind European Judgement, aspects of the HRA and its interpretation within the core document need to be amended".

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- 6.7. This is an amendment of procedural impact; to ensure that the mitigation measures for the potential recreation impacts on the Ashdown Forest, identified at Local Plan Part 1 stage, are considered at the Appropriate Assessment stage rather than the screening stage of HRA. Consequently, the correct terminology when presenting this information is a conclusion of 'no adverse effect on integrity', rather than 'no likely significant effect'.

Policy NH01: Land South of Valley Road

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM3	M05	Policy NH01, page 20	<i>Policy NH01: Land South of Valley Road</i> <i>Amend policy NH01 by adding an additional criterion to read:</i> <u>(c) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;</u>
MM4	M07	Supporting text to policy NH01, page 21	<i>Policy NH01: Land South of Valley Road</i> <i>Following paragraph 2.28, add new paragraph to read:</i> <u>The site lies within Flood Zone 1 (at least risk of flooding). However, a risk of surface water flooding has been identified associated with a major overland flow route, along the site's northern boundary. Therefore, to ensure that flood risk is not created, or exacerbated, on or off-site by the development, consideration should be given to the design and layout of the site. A specific flood risk assessment may also be required, and mitigation implemented accordingly.</u>

- 6.8. The amended Policy NH01 reads as follows:

Policy NH01 – Land South of Valley Road

Land south of Valley Road (0.72ha), as shown on figure 3, is allocated for residential development providing approximately 24 net additional dwellings subject to compliance with all appropriate development plan policies:

- Access, including provision for pedestrians and cyclists, to be provided from Valley Road;
- An ecological impact assessment is undertaken and appropriate measures

identified and implemented accordingly to mitigate potential adverse impacts on biodiversity. Development allows for the protection of biodiversity and enhancement where possible;

- c) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly and**
- d) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water.**

6.9. The Main Modification (MM3) to Policy NH01 proposes adding a criterion to ensure that appropriate surface water drainage mitigation is in place. This aims at avoiding creating or exacerbating flood risk. The modified policy was assessed on this basis. The conclusions of the appraisal do not differ from those in the submission document. However comments were added in the appraisal table to reflect the amendments to the policy wording.

6.10. The amended appraisal is shown in Table 5 below.

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Table 5 Amended appraisal for Policy NH01: Land South of Valley Road, Newhaven

Objectives	S	M	L	Explanation
1.Housing	+	+	+	Development at this site could include 24 units in market and affordable housing in the early part of the plan period.
2.Deprivation	+	+	+	Newhaven town contains some of the districts most deprived wards when measured against the Indices of Multiple Deprivation (IMD). Development of this site may encourage further regeneration and investment in the town, having a positive impact on the town and its more deprived communities.
3.Travel	0	0	0	Access to the site via Valley Road could be an issue and may need upgrading to make suitable. <ul style="list-style-type: none"> - The site is located just over the recommended walking distance (800m) of the town centre with its wide range of services and facilities. - The site is located near to frequent bus services and even though the site is located over 1km from Newhaven Town railway station, the range of public transport services in the town would be seen in a positive light against this objective. - The site is located within walking distance of the nearest primary but not secondary school.
4.Communities	0	0	0	
5.Health	0	0	0	
6.Education	0	0	0	
7.Land Efficiency	-	-	-	This site is a greenfield site and so scores negatively against this objective.
8.Biodiversity	0	0	0	There are Local Wildlife Sites (LWSs) within the vicinity of the site, although it is unlikely that there would be any negative impact on these designations. There is a TPO group located 100m south west of the site. To ensure that habitats are protected, the policy requires that an ecological impact assessment is carried.
9.Environment	0	0	0	The site is fairly well screened on all sides, although there are some long views to the north and north east. However the policy encourages excavation to be carried out to ensure that the development blends into the existing form of the surrounding development and landscape. The site is near to the boundary of the SDNP.
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	

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Objectives	S	M	L	Explanation
13.Air Quality	-?	-?	-?	Newhaven Air Quality Management Area covers the area inside the town centre ring road. It is likely that all new development in the town will impact on this designation and so would be expected to incorporate measures that aim to improve air quality.
14.Flooding	0	0	0	Development on this site will be required to provide appropriate surface water mitigation to ensure that flood risk is not created or exacerbated. This should have a neutral effect on this objective.
15.Coastal Erosion	0	0	0	
16. Economy of the Coastal Towns	0	0	0	Newhaven town centre does have a wide range of services and facilities, although there is a vacancy rate of approximately 20%. Increasing the customer base may help to support the existing services/facilities, reduce vacancy rates and provide jobs although it is unlikely that this development in isolation will make a significant positive contribution to this objective
17. Rural Economy	0	0	0	
18. Tourism	0	0	0	

Policy NH02: Land at the Marina

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM5	M10	Policy NH02, page 22	<i>Policy NH02: Land at The Marina</i> <i>Amend criterion (e) of policy NH02 to read:</i> e) Development is subject to investigation into potential contamination and appropriate <u>mitigation remediation</u> measures agreed with the relevant authority;
MM6	M37	Following paragraph 2.38, page 24	<i>Policy NH02: Land at The Marina</i> <i>New paragraph in supporting text to read:</i> Development will be required to submit a desk study, conceptual model, site investigation, risk <u>assessment and Remedial Method Statement for contaminated land in line with best practice approaches and carried out by or under the direction of a suitably qualified competent person and in accordance with most recent guidance.</u>
MM7	M38	Following paragraph 2.38, page 24 and MM5	<i>Policy NH02: Land at The Marina</i> <i>New paragraph in supporting text to read:</i> <u>Where additional moorings are provided, consideration must be given to the management of additional waste and sewage arising. Appropriate services, such as toilets and pump-out facilities, should be provided where appropriate to reduce the risk to water quality from recreational boating. The size of the pump-out facility should be appropriate to that of the development and agreed by the local planning authority prior to construction.</u>
MM8	M11 and M36	Policy NH02, page 22	<i>Policy NH02: Land at The Marina</i> <i>Add new text in criterion (g), after “biodiversity”:</i> <u>There should be no net loss, and seek to provide a net gain to biodiversity, in particular to Habitats of Principal Importance (formerly known as BAP habitats). Where impacts on biodiversity cannot be avoided or mitigated, like-for-like compensatory habitat at or close to the development site will be required. Development allows for the protection of biodiversity and enhancement where possible.</u>
MM9	M34	Policy NH02, page 22	<i>Policy NH02: Land at the Marina</i> <i>Add new text at the end of criterion (b) to read:</i> <u>Where there is a net increase in the number of berths, appropriate toilet and pump-out facilities</u>

must be provided to manage waste and sewage arising.

6.11. The amended Policy NH02 reads as follows:

Policy NH02 – Land at The Marina

Land at The Marina (4.5ha), as shown on figure 4 below, is allocated for residential development providing approximately 300 net additional dwellings subject to compliance with all appropriate development plan policies and the following criteria:

- a) Provision of suitable access, including for pedestrians and cyclists;
- b) No loss in the number of existing berths. Where there is a net increase in the number of berths, appropriate toilet and pump-out facilities must be provided to manage waste and sewage arising;
- c) Provision of adequate parking to serve the berths;
- d) New development must include an appropriate standard of flood protection (including safe access to the site), and provision for future maintenance, to be agreed with the Environment Agency;
- e) Development is subject to investigation into potential contamination and appropriate remediation measures agreed with the relevant authority;
- f) A noise and odour impact assessment is undertaken to ensure that acceptable noise and odour standards are achievable within proposed homes and amenity areas;
- g) An ecological impact assessment is undertaken and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity. There should be no net loss, and seek to provide a net gain to biodiversity, in particular to Habitats of Principal Importance (formerly known as BAP habitats). Where impacts on biodiversity cannot be avoided or mitigated, like-for-like compensatory habitat at or close to the development site will be required. Development allows for the protection of biodiversity and enhancement where possible; and
- h) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water.

In association with the residential development small-scale specialised retail/food and drink premises and leisure uses associated with The Marina activities would also be acceptable.

6.12. The Main Modifications (MM8 and MM9) to Policy NH02 provide further details for existing criteria in relation to the protection and enhancement to biodiversity and risk to water quality. Upon reappraisal of the policy, it was found that the additional requirements are likely to have a positive impact on the biodiversity objective in the long term. The conclusions in relation to the water objective remain the same (i.e. neutral effect) as it primarily aims at maintaining the water quality.

6.13. The amended appraisal is shown in Table 6 below.

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Table 6 Amended appraisal for Policy NH02: Land at The Marina

Objectives	S	M	L	Explanation
1.Housing	++	++	++	Development at this site could include a minimum of 300 units in market and affordable housing.
2.Deprivation	+	+	+	Newhaven town contains some of the districts most deprived wards when measured against the Indices of Multiple Deprivation (IMD). Development of this brownfield site may encourage further regeneration and investment in the town, having a positive impact on the town and its more deprived communities.
3.Travel	+	+	+	Up until recently, the site had planning permission for 331 units, which included proposals for a suitable site access, although this permission has since expired. A development of this scale could impact on the already heavily constrained A259 and town centre ring road and so mitigation measures would be required. <ul style="list-style-type: none"> - This site is located within walking distance (800m) of the town centre with its wide range of services and facilities. - The site is located near to frequent bus services and even though the site is located over 1km from Newhaven Town railway station, the range of public transport services in the town would be seen in a positive light against this objective. - The site is located within walking distance of the nearest primary and secondary school.
4.Communities	0?	0?	0?	The site is located within the vicinity of industrial uses which may be considered 'bad neighbours' resulting in a poor perception of the development.
5.Health	0	0	0	The policy wording was strengthened to ensure that a noise and odour impact assessment is undertaken as well as further investigation is carried in relation to potential contamination. This should reduce the risk on the future occupiers' health.
6.Education	0	0	0	
7.Land Efficiency	++	++	++	This site is brownfield land and so scores positively against this objective. It must also be noted that, being located on brownfield land, development of the site may reduce the pressure on greenfield land on the edge of the district's towns and settlements.
8.Biodiversity	-	0	+	The site includes areas of intertidal mudflats which is a priority habitat. To ensure that habitats are protected, the policy requires that an ecological impact assessment is carried out. This aims at avoiding net loss and the policy encourages providing net gain to biodiversity. Where adverse impacts arise and may affect biodiversity in the short term, mitigation and/or compensatory measures would be required to rectify the situation over the medium to long term. It is

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Objectives	S	M	L	Explanation
				considered that the modifications are likely to have a positive impact on the long term biodiversity of the mudflats, once construction phase is completed and any new habitats have been established.
9.Environment	0	0	0	Providing that development does not exceed 3/4 storeys in height, thus dominating views from the surrounding area, it is unlikely that there would be an adverse impact on this objective. Being located on brownfield land, development of the site may reduce the pressure on more environmentally sensitive landscape on the edge of the district's towns and settlements.
10.Waste	0	0	0	
11.Water	0	0	0	The policy reduces the risk to water quality by requiring the provision of appropriate services for new berths. This should ensure that development does not impact on water quality.
12.Energy				
13.Air Quality	-?	-?	-?	Newhaven Air Quality Management Area covers the area inside the town centre ring road. It is likely that all new development in the town will impact on this designation and so would be expected to incorporate measures that aim to improve air quality.
14.Flooding	0?	0?	0?	The site is located within Flood Zone 3 which scores negatively against this objective. However Newhaven Flood Alleviation Works are currently underway, due to be completed by Autumn 2019. A sequential and exception test has been carried out that demonstrates the sustainability benefits of developing this site. The policy includes the requirements for site-specific Flood Risk Assessment to ensure that appropriate works are carried for a safe future use of the site.
15.Coastal Erosion	0	0	0	
16. Economy of the Coastal Towns	+	+	+	Newhaven town centre does have a wide range of services and facilities, although there is a vacancy rate of approximately 20%. Increasing the customer base on this scale would help to support the existing services/facilities, reduce vacancy rates and provide jobs. It must also be noted that development on this site could result in the loss of employment premises (marina and retail) and associated jobs, however it is felt that the benefits to the local economy would outweigh this.
17. Rural Economy	0	0	0	
18. Tourism	0	0	0	

Policy BH01: Land at the Nuggets, Valebridge Road

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM10	M13	Policy BH01, page 26	<p><i>Policy BH01: Land at The Nuggets, Valebridge Road</i></p> <p><i>Amend policy BH01 by inserting additional criterion, to read:</i></p> <p><u>g) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;</u></p>
MM11	M16	Supporting text to policy BH01, page 28	<p><i>Policy BH01: Land at The Nuggets, Valebridge Road</i></p> <p><i>Following paragraph 2.51, insert new paragraph to read:</i></p> <p><u>The site lies within Flood Zone 1 (at least risk of flooding). However, a risk of surface water flooding has been identified associated with overland flow routes running north-south through the site. Therefore, to ensure that flood risk is not exacerbated, on or off-site, by the development, consideration should be given to the design and layout of the site. A specific flood risk assessment may also be required, and mitigation implemented accordingly.</u></p>
MM12	M39	Policy BH01, page 26	<p><i>Policy BH01: Land at The Nuggets, Valebridge Road</i></p> <p><i>Amend criterion (d) to read:</i></p> <p><u>Tree surveys undertaken and appropriate measures, including proper buffers, are identified and implemented accordingly to mitigate potential adverse impacts on the Tree Protection Order group and Ancient Woodland (at least 15m buffer) on and/or adjacent to the site.</u></p>

6.14. The amended Policy BH01 reads as follow:

Policy BH01 – Land at The Nuggets, Valebridge Road

This site (1.1ha), as shown on figure 5 below, is allocated for residential development providing approximately 14 net additional dwellings subject to compliance with all appropriate development plan policies and the following criteria:

- a) **Access, including provision for pedestrians and cyclists, to be provided from Valebridge Road;**
- b) **Buildings reflect the local character in terms of mass, height and form;**
- c) **Retention of boundary trees, where possible, to provide appropriate landscape buffer;**
- d) **Tree surveys undertaken and appropriate measures, including proper buffers, are identified and implemented accordingly to mitigate potential adverse impacts on the Tree Protection Order group and Ancient Woodland (at least 15m buffer) on and/ or adjacent to site;**
- e) **Development is subject to an appropriate assessment and evaluation of archaeological potential and mitigation measures implemented accordingly;**
- f) **An ecological impact assessment is undertaken and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts, either directly or indirectly, on biodiversity, including irreplaceable habitats. Development allows for the protection of biodiversity and enhancement; and**
- g) **Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly.**
- h) **The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water.**
- i) **Development layout is planned to ensure future access to the existing sewerage infrastructure for maintenance and upsizing purposes.**

6.15. The Main Modification (MM10) to Policy BH01 proposes adding a criterion to ensure that appropriate surface water drainage mitigation is in place. This aims at avoiding creating or exacerbating flood risk. MM12 strengthen the requirement for a buffer around the TPO group and Ancient Woodland by specifying its minimum size. This provides more clarity for the implementation of the policy. These amendments to the Policy BH01 do not alter the conclusions of the appraisal.

6.16. The amended appraisal is shown in Table 7 below.

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Table 7 Amended appraisal for Policy BH01: Land at the Nuggets, Valebridge Road

Objectives	S	M	L	Explanation
1.Housing	+	+	+	Development at this site would deliver 14 units including market and affordable homes. The site could be brought forwards in the early part of the plan period.
2.Deprivation	0	0	0	Burgess Hill (Wivelsfield Parish) is a fairly affluent area of the district (although that is not to say that an affordable housing need does not exist) and so development would not have a significant effect on this objective.
3.Travel	0	0	0	<p>Access to the site would be via an existing property on Valebridge Road. The road bends to the north, consequently shortening visibility along the derestricted stretch of road; however it is likely to be suitable.</p> <ul style="list-style-type: none"> - The site is within walking distance of a bus service. - The site is roughly 1km away from the nearest station and just over 1km away from the nearest school and services. <p>However, it must be acknowledged that a wide range of services are available at Burgess Hill (identified as a District Centre, although not located within Lewes District) and so could be considered a sustainable location.</p>
4.Communities	0?	0?	0?	It is unknown whether there will be any impact upon the local or wider community resulting from development at this site.
5.Health	0	0	0	
6.Education	0	0	0	
7.Land Efficiency	-	-	-	This site does contain some brownfield land although is predominantly greenfield.
8.Biodiversity	0	0	0	To ensure that habitats are protected, the policy requires that an ecological impact assessment is carried. This should ensure that development of the site does not impact on this objective.
9.Environment	0	0	0	Parts of the site have already been developed, and so redevelopment of these areas will have little environmental impact. The site is very well contained by mature trees on all sides and screened to the east and south east by ancient woodland, development should be sensitive to this and kept to the western end of the site to provide the required buffer in line with the policy. The general area has been identified in the 2012 landscape capacity study as an area with a medium/high capacity for development. There are no recorded heritage assets within the site but it could include archaeological interest therefore an additional criteria within the policy to

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Objectives	S	M	L	Explanation
				ensure that appropriate assessment and evaluation of archaeological potential are carried. This will help limiting any detrimental impact on this objective.
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	Development on this site will be required to provide appropriate surface water mitigation to ensure that flood risk is not created or exacerbated. This should have a neutral effect on this objective.
15.Coastal Erosion	0	0	0	
16.Economy of the Coastal Towns	0	0	0	
17.Rural Economy	0?	0?	0?	Burgess Hill accommodates a wider range of services and facilities, it is highly likely that residents would support these; however it is unlikely that development on a scale such as this will have much of an impact.
18. Tourism	0	0	0	

Policy CH02: Layden Hall, East Grinstead Road

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM13	-	Policy CH02, page 41	<i>Policy CH02: Layden Hall, East Grinstead Road</i> <i>Amend criterion (a) to read after East Grinstead Road:</i> Including safe and convenient pedestrian access to the nearest bus stop.

6.17. The amended Policy CH02 reads as follows:

Policy CH02 - Layden Hall, East Grinstead Road

This site (0.51ha), as shown on figure 8 below, is allocated for residential development providing approximately 6 net additional dwellings subject to compliance with all appropriate development plan policies and the following criteria:

- a) Access, including provision for pedestrians and cyclists, to be provided from East Grinstead Road including safe and convenient pedestrian access to the nearest bus stop;**
- b) Development complements nearby local character in terms of height, mass and form;**
- c) Retention of boundary trees, where possible, to provide appropriate landscaping buffer;**
- d) An ecological impact assessment is undertaken and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on Chailey Common SSSI and the local biodiversity. Development allows for the protection of biodiversity and enhancement where possible; and**
- e) Development is subject to an appropriate assessment and evaluation of archaeological potential and any mitigation measures implemented accordingly.**

6.18. The Main Modification (MM13) to Policy CH02 specifies the level of arrangement required in relation to pedestrian access to make the development acceptable. This could have an impact on the housing objective in terms of deliverability as this may be seen as an additional cost and could impact on viability.

6.19. The amended appraisal is shown in Table 8 below.

Table 8 Amended appraisal for Policy CH02: Layden Hall, East Grinstead Road

Objectives	S	M	L	Explanation
1.Housing	0?	0?	0?	Development at this site would create 6 units. It is likely that this could be brought forward in the next five years. The pedestrian access requirement may have an impact on the viability of the development for six units. However the policy provides sufficient flexibility should an extra unit be required to ensure the deliverability of the scheme.
2.Deprivation	0	0	0	The site lies within the relatively affluent settlement of North Chailey; although an affordable housing need may still exist it is unlikely that development would have a significant effect on this objective.
3.Travel	-	-	-	Access would be onto the A275, this is a derestricted stretch of road and due to the slight bend to the north it may be difficult to ensure sufficient visibility splays. <ul style="list-style-type: none"> - There is a Nursery school within the 800m threshold, however there is not a primary or secondary school within walking distance - There are some local services within walking distance such as a restaurant and a shop - A regular bus service runs within walking distance of the site, but there are no railway stations within the vicinity of the site which may encourage out-commuting by car.
4.Communities	0?	0?	0?	
5.Health	0	0	0	
6.Education	0	0	0	
7.Land Efficiency	-	-	-	Development at this site would result in the loss of greenfield land which is potentially high grade agricultural land
8.Biodiversity	0?	0?	0?	The site is within the Western Ouse Streams and Ashdown Forest Biodiversity Opportunity Area, and close to (other side of the A275) the Chailey Common Local Nature Reserve and SSSI. This policy requires for a survey to be carried out to ensure that potential negative impact on the biodiversity are considered as part of the development and ensure that development does not adversely impact on this objective. However due to the proximity with biodiversity designated site, this likely impact on this objective remains uncertain.
9.Environment	0	0	0	The site is adjacent to landscape character area designated as having medium capacity for change (2012 Landscape Capacity Study). A small development is unlikely to adversely impact on this designation. The site is almost completely covered by trees, those on the southern and western borders screen the site very effectively from view meaning that it is well contained with

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Objectives	S	M	L	Explanation
				no views into or out of the site. This policy will ensure that boundary trees are retained to maintain the setting. Despite the dense tree cover there are no TPO's on the site.
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	
15.Coastal Erosion	0	0	0	
16.Economy of the Coastal Towns	0	0	0	
17.Rural Economy	0	0	0	The increase in customer base would help to support local services, although a development of this size is unlikely to have a particularly significant impact on the village or wider rural economy.
18. Tourism	0	0	0	

Policy RG01: Caburn Field

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM14	M19	Policy RG01, page 49	<p><i>Policy RG01: Caburn Field</i> <i>Amend policy RG01 by inserting an additional criterion to read:</i> <u>(f) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;</u></p>
MM15	M21	Supporting text to policy RG01, page 51	<p><i>Policy RG01: Caburn Field</i> <i>Following paragraph 2.127, insert new paragraph to read:</i> <u>The site lies within Flood Risk Zone 1 (at least risk from flooding). However, a risk of surface water flooding has been identified associated with overland flow routes running both through the site and in close proximity to the site. Therefore, to ensure that flood risk is not exacerbated, on or off-site by the development, consideration should be given to the design and layout of the site. A specific flood risk assessment may also be required, and mitigation implemented accordingly.</u></p>

6.20. The amended Policy RG01 reads as follow:

Policy RG01 - Caburn Field

Land at Caburn Field (1.91ha) as shown on figure 10 below, is allocated for residential development providing approximately 90 net additional dwellings subject to compliance with all appropriate development plan policies and the following criteria:

- a) A replacement playing field of equivalent area and quality is available and ready for use at an acceptable location in Ringmer before development takes place;
- b) Access, including provision for pedestrians and cyclists, to be provided from Anchor Field;
- c) The identification, delivery and funding of sustainable transport improvements to mitigate the impacts of development on the local highway network, and in particular the Earwig Corner junction, to the satisfaction of the local planning authority in consultation with the local highway authority;
- d) Development is subject to an appropriate assessment and evaluation of archaeological potential and any mitigation measures implemented accordingly;
- e) An ecological impact assessment is undertaken and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity. Development allows for the protection of biodiversity and enhancement where possible;

- f) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;**
- g) Layout is planned to ensure future access to the existing sewerage infrastructure for maintenance and upsizing purposes; and**
- h) Occupation of the development is phased to align with the delivery of sewerage infrastructure, in liaison with the service provider, and completion of the planned junction improvements at Earwig Corner.**

6.21. The Main Modification (MM14) to Policy RG01 proposes adding a criterion to ensure that appropriate surface water drainage mitigation is in place. This aims at avoiding creating or exacerbating flood risk. The modified policy was assessed on this basis. The conclusions of the appraisal do not differ from those in the submission document. However comments were added in the appraisal table to reflect the amendments to the policy wording.

6.22. The amended appraisal is shown in Table 9 below.

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Table 9 Amended appraisal for Policy RG01: Caburn Field

Objectives	S	M	L	Explanation
1.Housing	++	++	++	Development at this site could include approximately 90 units in market and affordable housing in the early part of the plan period.
2.Deprivation	0	0	0	Ringmer is a fairly affluent area of the district (although that is not to say that an affordable housing need does not exist) and so development would not have a significant effect on this objective.
3.Travel	0	0	0	An access point is already in place which currently serves the football club and adjacent local services. <ul style="list-style-type: none"> - The site is centrally located in the village and near to local services. - The site is located within walking distance (800m) of the nearest primary and secondary school. - The site is within walking distance of regular bus services (but not a railway station and so may encourage out-commuting) - Measures are likely to be included to encourage sustainable modes of transport although it is likely to be a car dependent site
4.Communities	+	+	+	Part of the site is currently allocated within the Lewes District Local Plan for residential development. Although it will result in the loss of community facilities, the policy requires the provision of a replacement playing field of equivalent area and quality in a suitable location prior to the development being carried. It is thought that this is likely to result in the improvement of the facilities and therefore this policy scores positively against this objective.
5.Health	0	0	0	
6.Education	0	0	0	
7.Land Efficiency	-	-	-	The site is classified as greenfield land which would score negatively against this objective.
8.Biodiversity	0	0	0	The site does not include formal biodiversity designation. However local records indicate presence of protected species. The policy should ensure that appropriate work is carried to avoid negative impact on this objective.
9.Environment	0	0	0	The site is located in the centre of the village and is surrounded by residential development and so would not impact on the natural landscape significantly. The site is located within the vicinity of the Ringmer Conservation Area although a sensitively designed development in line with the

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Objectives	S	M	L	Explanation
				policy requirement should mitigate any potential adverse impact. The site is also located within an archaeological notification area which will be addressed at the planning application stage through an appropriate assessment and evaluation of the site's archaeological and historic interest.
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	Development on this site will be required to provide appropriate surface water mitigation to ensure that flood risk is not created or exacerbated. This should have a neutral effect on this objective.
15.Coastal Erosion	0	0	0	
16. Economy of the Coastal Towns	0	0	0	
17. Rural Economy	+	+	+	Ringmer is home to a wide range of services and facilities and so the increase in customer base could have the knock on effect of supporting the retention of these services or possibly the creation of additional ones. This could also be said for the wider rural area. However, it is likely that most services and shops will be accessed in nearby larger towns such as Lewes.
18. Tourism	0	0	0	

Policy GT01: Land South of The Plough

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM16	M41	Policy GT01, page 53	<i>Policy GT01: Land South of The Plough</i> <i>Amend criterion (b) to read:</i> (b) Development <u>The site</u> should be levelled and laid out to provide sufficient room to allow vehicles to turn around within the site.
MM17	M40	Policy GT01, page 53	<i>Policy GT01: Land South of The Plough</i> <i>Add new criterion (h) to read:</i> <u>The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water; if non-mains drainage, an environmental permit will be required.</u>

6.23. The amended Policy GT01 reads as follows:

Policy GT01 – Land south of The Plough

This site (0.69ha), as shown on figure 11 below, is allocated for the development of 5 net additional permanent Gypsy and Traveller pitches, subject to compliance with all appropriate development plan policies and the following criteria:

- a) Access, including provision for pedestrians and cyclists, to be provided from Station Road;
- b) The site should be levelled and laid out to provide sufficient room to allow for vehicles to turn around within the site;
- c) Development should use the natural topography in screening the site from wider, sensitive landscape views and designed to minimise the perception of urbanisation in this location, particularly with regards to hardstanding and amenity buildings;
- d) Development is subject to an appropriate assessment and evaluation of archaeological potential and mitigation measures implemented accordingly;
- e) An ecological impact assessment is undertaken and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity. Development allows for the protection of biodiversity and enhancement where possible;
- f) Appropriate flood risk assessment and surface water drainage strategy and mitigation is agreed with the appropriate body and implemented accordingly; and
- g) The development should be occupied by only those that fulfil the definition of a Gypsy or Traveller.
- h) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water; if non-mains drainage, an environmental permit will be required.

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- 6.24. The Main Modifications (MM16 and MM17) to Policy GT01 do not change the intent of the policy. MM16 corrects a typographical error in existing criterion (b), whilst MM17 inserts a new criterion (h) to address sewerage provision. The modified policy has been assessed and would not impact negatively on any of the sustainability objectives. As a result the conclusions of the appraisal do not differ from the Submission SA.
- 6.25. The amended appraisal is shown in Table 10 below.

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Table 10 Amended appraisal for Policy GT01: Land South of The Plough

Objectives	S	M	L	Explanation
1.Housing	++	++	++	This policy, allocating the south east corner of the larger SHELAA site (reference 03PL) would provide 5 permanent gypsy and traveller pitches. It would fully meet the identified need for the plan area and therefore would have a positive impact on this objective.
2.Deprivation	+	+	+	This policy would meet the need identified and support social inclusion.
3.Travel	-	-	-	This site is 1.2 km from the nearest settlement, the village of Plumpton Green where some key services are available. Including a primary school, a convenience store and a post office. Further services can be accessed from other settlements via bus (within 200m of the site) and train (1.8km from Plumpton Green train station). Overall it is not thought that this policy would have as significant impact on congestion. However due to its rural location, this allocation may not encourage the use of alternative mode of transport and therefore score negatively against this objective.
4.Communities	0	0	0	Less than half a dozen residential properties lie within 100m of the site. Station Road to the east and the neighbouring commercial estate to the south acting as a boundary containing the site. The site for 5 pitches would ideally suit a single family and provide a good living environment being in a semi-rural location and not next to adverse (noisy, dirty, smelly) neighbouring uses. Therefore it is thought that this allocation would have a neutral impact on this objective.
5.Health	+	+	+	The provision of permanent accommodation will help to improve access to health facilities, tackling known issues such as long term illness and lower life expectancy, which are often below the national average in Gypsy and Traveller communities.
6.Education	+	+	+	The provision of permanent accommodation will improve the opportunities for members of the Gypsy and Traveller community to attend school and further education.
7.Land Efficiency	-	-	-	The site is greenfield land.
8.Biodiversity	0	0	0	The site does not form part of a formal biodiversity designation. However local records indicate the presence of notable and protected species including bats and other notable invertebrates and vascular plants in the wider area. The policy requires ecological investigation prior to works commencing.
9.Environment	0	0	0	The site appears open as it forms part of a larger site. However the policy requires effective

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Objectives	S	M	L	Explanation
				landscaping bunds. The provision of accommodation is therefore unlikely to have impact on the valued landscape of the district such as the National Park. Whilst the site does not lie within any historical designation, the wider area has evidence of historical activity and the policy requires appropriate archaeological investigation prior to works commencing.
10.Waste	0	0	0	
11.Water	0	0	0	The modification to require connection to the nearest sewer should ensure that no adverse effects on nearby watercourses and the impacts on this SA Objective remain neutral.
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	The site is within flood zone 1, low risk; however a risk of surface water flooding has been identified and will need to be addressed through sustainable drainage measures. The policy requires a surface water drainage strategy to be agreed prior to commencement and implemented as part of the development.
15.Coastal Erosion	0	0	0	
16.Economy of the Coastal Towns	0	0	0	
17.Rural Economy	0	0	0	
18. Tourism	0	0	0	

Policy E1: Land at East Quay, Newhaven Port

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM18	M23	Following paragraph 3.17, page 59	<p><i>Policy E1: Land at East Quay, Newhaven Port</i> <i>Note: Further modification to Modification 23 in CD 012: Following paragraph 3.17, insert additional paragraphs to read:</i></p> <p><u>The majority of the site is located within the Tide Mills Local Wildlife Site, a non-statutory designation made in 1993 in recognition of the value of the coastal and floodplain grazing marsh and coastal vegetated shingle. These habitats are now included on the Government's list of habitats of principal importance for biodiversity conservation in England. Any development must therefore ensure that any loss or damage to the nature conservation interest of the site can be mitigated to achieve a net gain in biodiversity, in accordance with Policy DM24 (Protection of Biodiversity and Geodiversity). Appropriate mitigation should be identified by the applicant, along with the means for its delivery and maintenance.</u></p> <p><u>Appropriate mitigation should be identified by the applicant, along with the means for its delivery and maintenance. It is anticipated that such mitigation may include bringing the wider area of the Tide Mills Local Wildlife Site into positive management, including habitat creation (e.g. the creation of wet scrapes for birds) and controls on dog walking in order to avoid the more ecologically sensitive areas. This will involve working in partnership with all relevant organisations, including the Ouse Estuary Project.</u></p> <p><u>Due to the open nature of the coastline in this location, development is also likely to have an impact upon the setting of the South Downs National Park. Development proposals should therefore have due regard to Core Policy 10 (<i>Natural Environment and Landscape Character</i>) of the Local Plan Part 1, which seeks to conserve and enhance the landscape quality and scenic beauty of the Park and be informed by the South Downs Integrated Landscape Character Assessment accordingly.</u></p>

			<p><u>Development of the site also has the potential to affect the setting of the Newhaven Fort Scheduled Monument and the Tidemills Archaeological Notification Area. The remains of the WW1 seaplane base also needs to be protected. Development proposals should therefore be accompanied by a heritage impact assessment and an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest, in accordance with Policy DM33 (<i>Heritage Assets</i>) and Core Policy 11 (<i>Built and Historic Environment and High Quality Design</i>) of the Local Plan Part 1.</u></p> <p><u>A public footpath, which forms part of the proposed England Coast Path, runs through the site and any development proposals will be required to mitigate any harmful impact on the convenience, safety and amenity of this right of way, in accordance with Policy DM35 (<i>Footpath, Cycle and Bridleway Network</i>).</u></p>
MM19	-	Following paragraph 3.17, page 59	<p><i>Policy E1: Land at East Quay, Newhaven Port</i> <i>New paragraph in supporting text to read:</i> <u>The exclusion of the area of the port from the submitted proposed port expansion, i.e. covering the vegetated shingle habitat to the south of the bunded footpath, would ensure the protection of the Seaplane base, which is an important although undesignated, heritage asset.</u></p>
MM20	M24	Policy E1, page 59	<p><i>Policy E1: Land at East Quay, Newhaven Port</i> <i>Amend policy E1 to read:</i></p> <p>Policy E1: Land at East Quay, Newhaven Port</p> <p>Land at East Quay, as defined on the Policies Map (i.e. excluding the area of vegetated shingle habitat, situated to the south of the bunded footpath, which was included in the submitted Policy E1), is allocated for employment uses associated with Newhaven Port. Employment development which is not associated with port-related activity will be permitted only where it can be demonstrated that such development would not undermine the operational use of the Port. All development proposals should ensure that the visual impact on the landscape and scenic beauty of the South Downs National Park is minimised.</p>

Development will be permitted subject to compliance with all appropriate development policies and the following criteria:

- (a) An ecological impact assessment is undertaken, and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity;
- (b) A visual and landscape character assessment is undertaken to ensure that the visual impact on the landscape and scenic beauty of the South Downs National Park is minimised;
- (c) An appropriate assessment and evaluation of archaeological potential is undertaken, and any necessary mitigation measures implemented; and
- (d) The provision of a landscaped buffer to the east of the site to create a buffer zone to protect the Nature Reserve immediately to the east of the proposed port expansion.

6.26. The amended Policy E1 reads as follows:

Policy E1: Land at East Quay, Newhaven Port

Land at East Quay, as defined on the Policies Map, (i.e. excluding the area of vegetated shingle habitat, situated to the south of the bunded footpath, which was included in the submitted Policy E1), is allocated for employment uses associated with Newhaven Port. Development will be permitted subject to compliance with all appropriate development policies and the following criteria:

- a) An ecological impact assessment is undertaken, and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity;**
- b) A visual and landscape character assessment is undertaken to ensure that the visual impact on the landscape and scenic beauty of the South Downs National Park is minimised;**
- c) An appropriate assessment and evaluation of archaeological potential is undertaken, and any necessary mitigation measures implemented; and**
- d) The provision of a landscaped buffer to the east of the site to create a buffer zone to protect the Nature Reserve immediately to the east of the proposed port expansion.**

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- 6.27. The Main Modification (MM20) to Policy E1 reduces the extent of the allocated employment site by deleting the area of coastal vegetated shingle along its southern edge. This habitat is now included on the Government's list of habitats of principal importance for biodiversity conservation in England. MM20 also seeks to ensure that only employment uses associated with Newhaven Port are permitted within the allocated site, whilst including new policy criteria to address concerns over the potential adverse impacts of development on biodiversity and the need for appropriate assessments of landscape character and archaeological potential, together with any necessary mitigation measures. All the proposed modifications address concerns raised by Natural England and other representations.
- 6.28. Upon reappraisal of the policy, it was concluded that the modifications are likely to have a positive impact on the biodiversity objective in the long term. This is because the area of coastal vegetated shingle will be protected from development and any development within the allocated employment site must ensure that any loss or damage to the nature conservation interest of the site can be mitigated to achieve a net gain in biodiversity, in accordance with Policy DM24 (Protection of Biodiversity and Geodiversity), as proposed to be modified. The modifications will also minimise the potential for any adverse landscape impacts on the setting of the South Downs National Park. Otherwise, the modifications do not impact on the other objectives and the conclusions therefore remain unchanged from the Submission SA.
- 6.29. The amended appraisal is shown in Table 11 below.

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Table 11 Amended appraisal for Policy E1: Land at East Quay, Newhaven Port

Objectives	S	M	L	Explanation
1.Housing	0	0	0	
2.Deprivation	0	0	0	
3.Travel	+	+	+	The site benefits from relatively good access to the A26 and is within 800m from Newhaven Harbour train station.
4.Communities	0	0	0	
5.Health	0	0	0	
6.Education	0	0	0	
7.Land Efficiency	-	-	-	The site is mostly greenfield land.
8.Biodiversity	-	0	+	The site is within the Tide Mills LWS. The modification requires the deletion of the vegetated shingle habitat, which is a priority habitat, from the allocation south of the bunded footpath. This element of the modification to this policy will have a positive effect on preserving the most important irreplaceable habitat. Development on the site will take place within the LWS and so the new criterion to provide an ecological impact assessment and ensure mitigation measures can be implemented to achieve overall a net gain in biodiversity will ensure no adverse effect against this SA objective. The buffer zone identified in the modification to the Local Nature Reserve (LNR) to the east of the site will also have a positive effect for ensuring no degradation or harm to the newly created LNR.
9.Environment	0	0	0	The site is open land adjacent and visible from the South Downs National Park. Development on this site could impact on the setting of the National park. Due to the site being within the planning boundary, it was not assessed within the Landscape Capacity Study however it adjacent to a site (Ouse Estuary Nature Reserve) which is considered to be a highly visible and sensitive area with no capacity for change. The stronger safeguards for visual and landscape impacts within the modifications should minimise the potential for adverse impacts on landscape. The site is adjacent to an archaeological notification area and an appropriate assessment and evaluation of archaeology will be essential to avoid any detrimental effects. The deletion of the vegetated shingle from the allocation will also preserve that part of the WW1 sea plan base that lies within this habitat. The heritage impact assessment should ensure no harm to the setting of Newhaven Fort.

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Objectives	S	M	L	Explanation
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	Part of the site is within flood zone 2 and surrounding areas are within flood zone 3. However future use of the site is likely to be water compatible. The deletion of the vegetated shingle habitat from the allocation would help to minimise risks of future flooding and coastal erosion.
15.Coastal Erosion	0	0	0	The deletion of the vegetated shingle habitat from the allocation would help to ensure minimise risk of future flooding and coastal erosion
16.Economy of the Coastal Towns	+	+	+	Development of the site would support the expansion and enhancement of the Newhaven Port and allow the port to remain competitive by offering modern facilities to future investors and customers. It would have a positive impact on this objective. Whilst the site has been reduced in size following the modification for the deletion of the vegetated shingle habitat from the allocation, this should not affect the overall ability of the site to deliver the required employment floorspace set out in the Local Plan Part 1.
17.Rural Economy	0	0	0	
18. Tourism	0	0	0	

Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM21	M42	Paragraph 3.21, page 61	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i></p> <p><i>Amend paragraph 3.21 to read:</i></p> <p>The design and massing of any proposed development will also need to consider the visual impact on both the Grade II registered Stanmer Park and the Listed Buildings within the University of Sussex campus. Careful consideration should be given to the choice of materials which should be complementary to those of the stadium, yet distinct and subservient, and designed to fit comfortably within the site's downland context. <u>The design and materials used should reflect the setting of the South Downs National Park, specifically paying reference to the South Downs Integrated Landscape Character Assessment (SDILCA) prepared by the South Downs National Park Authority.</u></p>
MM22	M43	Paragraph 3.23, page 61	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i></p> <p><i>Amend paragraph 3.23 to read:</i></p> <p>Any development of land within the boundary of Brighton and Hove City Council will need to take account of the priorities set out in policy DA3 (Lewes Road Development Area) of the adopted Brighton & Hove City Plan Part 1. The main thrust of the City Council's strategy for the Lewes Road Development Area is to promote and enhance the role of the area for higher education, whilst securing improvements to the townscape, the public realm, green infrastructure, biodiversity and air quality. <u>In addition, sustainable transport infrastructure is required to ensure that the development does not have an adverse impact on the performance of the Falmer Interchange trunk road junction at the A27/B2123 Falmer junction.</u></p>
MM23	-	Policy E2, page 61	<p><i>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</i></p> <p>Land adjacent to the American Express Community Stadium, as identified on the Policies Map, is allocated for B1a (offices) and/or D1 (health/education) <u>and/or other ancillary uses</u></p>

MM24	M28	Policy E2, page 62	<p><u>directly</u> associated with the Stadium and/or Sussex and Brighton Universities.</p> <p>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer <i>Amend criterion (d) of policy E2 to read:</i> (d) The provision of green infrastructure and wider landscaping enhancements through creative landscape solutions (including features such as green walls and roofs);</p>
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6.30. The amended Policy E2 reads as follows:

<p>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</p> <p>Land adjacent to the American Express Community Stadium, as defined on the Policies Map, is allocated for B1a (offices), D1 (health/education) and/or other ancillary uses directly associated with the Stadium and/or Sussex and Brighton Universities.</p> <p>Development will be permitted subject to compliance with all appropriate development plan policies and the following criteria:</p> <ul style="list-style-type: none"> a) Development should achieve a high quality of design which respects and enhances the adjoining stadium development and downland character; b) Development should preserve and where possible enhance the setting of the South Downs National Park and nearby heritage assets; c) Sustainable transport infrastructure will be required to support proposals and to ensure that there is no adverse air quality impact; d) The provision of green infrastructure and wider landscaping enhancements; e) Development must ensure that groundwater sources are protected to the satisfaction of the Environment Agency; f) The developer will enter into a training place agreement to secure training for local people.
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6.31. The Main Modifications (MM23 and MM24) to Policy E2 do not change the intention of the policy but offer the opportunity for other ancillary uses directly associated with the Community Stadium or Universities to be permitted, whilst deleting the specific requirement for features such as green walls or roofs to be provided as part of any development. The modified policy has been assessed and would not impact negatively on any of the sustainability objectives. As the result the conclusions of the appraisal do not differ from the Submission SA.

6.32. The amended appraisal is shown in Table 12 below.

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Table 12 Amended appraisal for Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer

Objectives	S	M	L	Explanation
1.Housing	0	0	0	
2.Deprivation	0	0	0	
3.Travel	+	+	+	The site is adjacent to the American Express Community Stadium and straddles the boundary between Lewes District and Brighton and Hove City. It is well located in terms of strategic road network with the A27 to the north of the site which provides access to Lewes and Brighton. It is not thought that development on this site would encourage walking and cycling however other sustainable means of transport are available around the site. It is within walking distance from bus stops offering direct services to Brighton, Lewes, Ringmer and Uckfield and from Falmer Train Station with a direct link to Brighton, Lewes and Eastbourne. The modification requires sustainable transport infrastructure which could be simple measures such as real time passenger information or pedestrian and cycle linkages, which should encourage the use of rail and bus, walking and cycling from this sustainable location.
4.Communities	+	+	+	Development of this site would introduce variety of active uses in this location which would contribute to create and sustain vibrant communities.
5.Health	0	0	0	The site is within proximity of the A27 and the railtrack and is therefore exposed to noise pollution which could impact on the amenity of people occupying the site. The policy does not include reference to addressing adjacent noise issue however the supporting text make reference to draft policy DM23 which should limit the impact on this objective.
6.Education	0	0	0	
7.Land Efficiency	++	++	++	This is a brownfield land and therefore development on this site would contribute to the re-use of previously developed land.
8.Biodiversity	0	0	0	The site is within proximity to Westplain Plantatin Local Wildlife Site (LWS) but it is not thought that development will have negative impact on this site.
9.Environment	0	0	0	The site is located within close proximity of the South Downs National Park and a conservation area including listed buildings (grade 2) lies to the east. There is a dense boundary of trees to the north and east of the site. The site forms part of an already developed area and is surrounded by development. Although it is not thought that development of this site would constitute an encroachment into the country side of the National Park or impact on the setting of the conservation area, the policy require development to preserve and where possible

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Objectives	S	M	L	Explanation
				enhance the setting of the National Park as well as be of a high quality design that respects downland character.
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	
15.Coastal Erosion	0	0	0	
16.Economy of the Coastal Towns	0	0	0	
17.Rural Economy	+	+	+	The development would continue supporting the rural economy and would contribute to the diversification of the business offer in the area.
18. Tourism	0	0	0	

Policy DM24: Protection of Biodiversity and Geodiversity

MM No	CD12/8 0 Ref	Submitted Local Plan Reference	Proposed Change
MM25	M46	Policy DM24, page 95	<i>Policy DM24: Protection of Biodiversity and Geodiversity</i> <i>Amend the third paragraph of policy DM24 to read:</i> Development that would be likely to adversely affect a Site of Special Scientific Interest (SSSI), National Nature Reserve (NNR), or a Marine Conservation Zone (MCZ), <u>either individually or in combination with other developments</u> , will only be permitted where the benefits of the development at this site , in the location proposed clearly outweigh the damage to the nationally recognised special interest of the designated site and any adverse impacts on the wider network of the SSSIs.
MM26	M48	Policy DM24, page 95	<i>Policy DM24: Protection of Biodiversity and Geodiversity</i> <i>Insert a new penultimate paragraph into policy DM24 to read:</i> <u>Development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland or veteran trees) will be refused, unless there are wholly exceptional circumstances and a suitable compensation strategy exists.</u>

6.33. The amended Policy DM24 reads as follows:

Policy DM24: Protection of Biodiversity and Geodiversity

Development which would be likely to adversely affect a designated Ramsar site, designated or candidate Special Area of Conservation (SAC) or a classified or potential Special Protection Area (SPA) will only be permitted where adverse likely significant effects can be avoided and/or mitigated against. After avoidance and mitigation measures have been considered, where residual adverse likely significant effects arise, development will only be permitted if there is no alternative solution, there are imperative reasons of over-riding public interest that would justify the development and suitable compensation is provided.

Development proposals that result in a net increase of one or more dwellings within 7km of the Ashdown Forest will only be permitted where they comply with Core Policy 10(3) of the Local Plan Part 1. The requirement of Core Policy 10 (3i) can be fulfilled

through a contribution towards the management and monitoring of the Suitable Alternative Natural Greenspace (SANG) at Newick, as defined on the Policies Map.

Development which would be likely to adversely affect a Site of Special Scientific Interest (SSSI), National Nature Reserve (NNR), or a Marine Conservation Zone (MCZ), either individually or in combination with other development, will only be permitted where the benefits of the development, in the location proposed, outweigh the damage to the nationally recognised special interest of the designated site and any adverse impacts on the wider network of SSSIs.

Development which would result in damage or loss to a site of biodiversity or geological value of regional or local importance including Local Nature Reserves (LNR), Wildlife Trust Reserves, Local Wildlife Sites, irreplaceable habitats, and habitats and species of principal importance for biodiversity, will only be permitted where the benefits of the development clearly outweigh the damage to the conservation interest of the site and any loss can be mitigated to achieve a net gain in biodiversity and/or geodiversity.

Development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland or veteran trees) will be refused, unless there are wholly exceptional circumstances and a suitable compensation strategy exists.

Where development is permitted, the Council will use conditions and/or legal agreements in order to minimise the damage, ensure adequate mitigation and site management measures and, where appropriate, compensatory and enhancement measures.

6.34. The Main Modifications (MM25 and MM26) to Policy DM24 are proposed to ensure that the wording is consistent with the revised National Planning Policy Framework (NPPF) published in February 2019. The amended Policy DM24 does not alter the initial conclusions of the appraisal of Policy DM24 but reinforces it.

6.35. The amended appraisal is shown in Table 13 below.

APPENDIX 3

Table 13 Amended Policy DM24: Protection of Biodiversity and Geodiversity

Objectives	S	M	L	Explanation
1.Housing	0	0	0	
2.Deprivation	0	0	0	
3.Travel	0	0	0	
4.Communities	0	0	0	
5.Health	0	0	0	
6.Education	0	0	0	
7.Land Efficiency	0	0	0	
8.Biodiversity	+	+	+	This policy aims to protect the district's biodiversity and geodiversity and prohibit development which would have adverse impact on biodiversity designations individually or in combination with other developments. Where it is thought that new development could affect the biodiversity alternative measures should be taken to mitigate potential adverse impact.
9.Environment	0	0	0	
10.Waste	0	0	0	
11.Water	0	0	0	
12.Energy	0	0	0	
13.Air Quality	0	0	0	
14.Flooding	0	0	0	
15.Coastal Erosion	0	0	0	
16.Economy of the Coastal Towns	0	0	0	
17.Rural Economy	0	0	0	
18. Tourism	0	0	0	

7. Reasonable alternatives

- 7.1. A key aspect of the SA process is the testing of alternative options. A significant number of different site and policy options were subject to appraisal throughout the preparation of the Local Plan Part 2. The results of these assessments are all set out in the submission SA report.
- 7.2. There are no alternatives to the Main Modifications provided by the Inspector. The Main Modifications are being proposed in order to ensure the legal compliance and soundness of the Local Plan Part 2. Failure to implement the modifications could result in the plan being found unsound. Therefore the 'do-nothing' option is not considered reasonable at this stage.

8. Mitigation and Monitoring

- 8.1. The Main Modifications do not themselves require any additional mitigation measures beyond what was identified in the submission SA report. As set out in the detailed appraisal table for each policy, the Main Modifications have all either had a positive or neutral impact on the conclusion of the previous sustainability appraisals.
- 8.2. The proposed monitoring arrangements remain unchanged from those set out in the submission SA report.

9. Conclusion

- 9.1. The appraisal of the Main Modifications shows that the majority of the changes do not affect the overall conclusions; they do not worsen the conclusions of the previous SA work. Overall the most notable change in the assessments is for improved impacts on the environmental objectives. It is important to note that the Main Modifications delivering changes to supporting text play an important role in providing the context for implementation of the policies and will be given substantial weight in decision making and this is why they have informed the sustainability appraisal of the policy changes.
- 9.2. Many of the changes have been in order to provide greater clarity and certainty in the implementation of the policy, and some correct errors and update wording in accordance with new guidance or case law. Where the changes have been more substantive in nature (e.g. the introduction of a new policy requirement) and have resulted in the need to amend the previous SA score for that policy, these have been positive.

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Report to:	Cabinet
Date:	1 July 2019
Title:	Greater Brighton Economic Board – Admission of New Member to the Board
Report of:	Director of Regeneration & Planning
Cabinet member:	Cllr Joe Miller – Portfolio Holder for Regeneration and Growth
Ward(s):	All
Purpose of report:	This report seeks LDC approval for Arun District Council to become a member of the Greater Brighton Economic Board (“the Board”).
Decision type:	Key
Officer recommendation(s):	<p>(1) To ratify the appointment of Arun District Council to the Greater Brighton Economic Board (GBEB) and Greater Brighton Economic Joint Committee (GBEJC), subject to formal agreement of Arun District Council.</p> <p>(2) To note that Arun District Council’s appointment is dependent on all the local authorities represented on the Board approving its appointment.</p> <p>(3) To agree other proposed changes within the Heads of Terms of the Greater Brighton Economic Board as detailed in paragraph 2.16.</p>
Reasons for recommendations:	<p>1. The Greater Brighton Economic Board was founded in April 2014 as part of the Greater Brighton City Region’s City Deal with Government.</p> <p>2. The Board comprises the Greater Brighton Economic Joint Committee (GBEJC), on which the local authorities are represented; and the Greater Brighton Business Partnership (GBBP) on which the Coast to Capital Local Enterprise Partnership, business, university and further education sectors are situated.</p>
Contact Officer(s):	<p>Name: Peter Sharp Post title: Head of Regeneration E-mail: peter.sharp@lewes-eastbourne.gov.uk Telephone number: 01273 085044</p>

1 Introduction

- 1.1 The Greater Brighton Economic Board comprises a range of local authority, LEP, business and further education stakeholders. The following bodies are members of the Board:
- i. Brighton & Hove City Council
 - ii. Adur District Council
 - iii. Worthing Borough Council
 - iv. Lewes District Council
 - v. Mid Sussex District Council
 - vi. Crawley Borough Council
 - vii. University of Sussex
 - viii. University of Brighton
 - ix. Further Education Representative
 - x. Coast to Capital Local Enterprise Partnership
 - xi. Brighton & Hove Economic Partnership
 - xii. Adur & Worthing Business Partnership
 - xiii. Coastal West Sussex Partnership
 - xiv. South Downs National Park Authority
 - xv. Gatwick Airport Ltd.
- 1.2 GBEJC comprises the bodies specified in Paragraph 1.1 (i) to (vi); and GBBP comprises the bodies specified in Paragraph 1.1 (vii) to (xv).
- 1.3 The functions of the board are as follows:
- To make long-term strategic decisions concerning regional economic development and growth
 - To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth
 - To work with national, sub-national and local bodies to support a co-ordinated approach to economic growth across the region
 - To secure funding and investment for the region
 - To ensure delivery of, and provide strategic direction for, major projects and workstreams enabled by City Deal funding and devolution of powers
 - To enable those bodies to whom Section 110 of the Localism Act 2011 applied to comply more effectively with their duty to co-operate in relation to planning of sustainable development
 - To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes.
- 1.4 Working in partnership, the Greater Brighton City Region has brought significant benefits to the partner Local Authorities and agencies. Together the partnership has secured around £160m of Growth Deal funding held by the Coast to Capital Local Enterprise Partnership.
- 1.5 Since the City Deal, LDC has directly received £3.5m of Growth Deal funding towards projects in Lewes and Newhaven, with a further £13.1m of funding benefiting projects across the District.

- 1.6 The Board's success and growing reputation has gained interest across the region, and Crawley Borough Council and Gatwick Airport Ltd joined the partnership in February 2018. Arun District Council requested to join the Board in October 2018.

2 Proposal

Functional Economic Area

- 2.1 Recent work undertaken by the West Sussex and Greater Brighton Strategic Planning Board has recognised that Arun lies within both the Housing Market area and Functional Economic Market area of that part of the coast including all or part of Adur, Worthing, Brighton & Hove, Lewes and Mid Sussex.
- 2.2 Arun is a net exporter of workers to the City Region, as well as forming part of its housing market. Based on 2011 Census data, Arun provides jobs for around 4,500 Greater Brighton residents, whilst 9,000 of Arun's residents were employed across Greater Brighton. Aligning strategy and investment activity would add value.
- 2.3 Arun can add much to the critical mass and economic diversity of the Greater Brighton City Region economy. Arun's economy supports around 55,000 jobs, and the addition of Arun to Greater Brighton would take the City Region's job base (currently c. 475,000) to over half a million, which would be a significant milestone. The current Gross Value Added (GVA) of Greater Brighton is around £23.1bn. Arun's economy currently generates around £2.3bn GVA, which represents a 10% uplift to the current Greater Brighton economy.
- 2.4 In terms of job growth, estimates from Experian indicate that Greater Brighton could grow by around 73,000 jobs over the next 20 years, with growth in Arun being around 5,300 jobs over the same period. If included in Greater Brighton, the projected job growth in Arun would provide an uplift of around 7% to the City Region total.
- 2.5 Arun has a broad economy including representation in a number of high-value sectors such as knowledge-based manufacturing and advanced engineering activities. The greatest uplift to Greater Brighton's current GVA would be seen in the agriculture, construction, accommodation & food services and wholesale & retail sectors.
- 2.6 Supporting growth in specialised and highly productive industries is a key objective of the Government's Industrial Strategy. There are a number of advanced engineering / manufacturing firms within Arun, hence Arun's businesses could be well placed to respond.

Housing Delivery

- 2.7 Arun provides a source of relatively affordable housing that contributes to the functioning of the Greater Brighton economy. ONS statistics show that in 2016 around 1,900 people moved out of Greater Brighton and into Arun, specifically from Worthing and Brighton & Hove. The District has significant potential to increase future capacity for housing and employment space in Greater Brighton.

Current Local Plans for the six Greater Brighton local authorities give a combined figure of around 49,000 new homes to be built up to 2032. Arun's Local Plan – adopted June 2018 – makes provision to deliver 20,000 dwellings over the period. This would increase the City Region's housing delivery by 40%.

- 2.8 The Arun Local Plan proposes a wide range of housing allocations including several large-scale strategic sites which will provide sustained high levels of delivery over the medium to long-term. When considered in the context of the housing trajectories published by the Greater Brighton local authorities to 2026, this indicates that Arun could be contributing about 32% of housing delivery across the City Region by 2022/23.

Employment Land Supply

- 2.9 In addition to housing, the Arun Local Plan makes provision for significant capacity for additional employment floorspace, which could supplement the City Region's constrained supply. The Local Plan provides allocations for around 292,000m² of floorspace capacity. The most significant allocation is Enterprise Bognor Regis, and this space has started to come forward for development. These allocations would be the largest in Greater Brighton, with the next highest being the proposed 200,000m² across strategic employment sites in Burgess Hill, and the 55,000m² as part of the Newhaven Enterprise Zone (over a 25-year period).
- 2.10 Commercial property market intelligence indicates that businesses from Greater Brighton, particularly in its coastal areas, that are seeking new accommodation for expansion or upgrading would be likely to consider Arun if there was a lack of suitable floorspace in their districts, particularly as regards larger space requirements. This has recently been demonstrated by the expansion of Rolls Royce in Bognor Regis, away from the company's Goodwood base in Chichester.
- 2.11 Arun is likely to play an increasingly important role in accommodating some of the commercial property needs of Greater Brighton and the A27 corridor in particular.

Skills

- 2.12 The University of Chichester (Bognor Regis Campus) has invested over £50m, with direct assistance from Arun District Council, for the new Learning and Resource Centre and the new Tech Park at the Bognor Regis Campus. The Learning Resource Centre will promote STEM courses and bring 1,500 new students to the town.

Infrastructure & Other Priorities

- 2.13 The ambition and vision for housing outlined in Paragraphs 2.7 and 2.8 require significant infrastructure support. Arun's Infrastructure Delivery Plan sets out the requirements, which include the development of a new secondary school and nine primary schools on top of current educational provision. The A27, A259 east-west corridor and A23 north-south corridors are key priorities for Arun.

- 2.14 Arun can actively contribute to the Board's future workplan, particularly where this concerns housing, economic growth, strategic planning and adding new projects to the pipeline for future funding bids to Government and others.
- 2.15 Arun's membership would give additional capacity and capability to deliver sub-regional spatial priorities in a co-ordinated way, building on mechanisms such as the West Sussex and Greater Brighton Strategic Planning Board.

Heads of Terms

- 2.16 At the GBEB meeting held on 26 March 2019, the Board agreed a number of changes to the Heads of Terms that must be ratified by all member authorities. These are as follows:
- I. Change to 5.1 (Membership) to reflect Recommendation 1 of this report, that Arun District Council be formally invited to join the GBEJC.
 - II. Change to 6.4 (Chair) to reflect the agreed departure from a 1-year fixed-term Chair with the requirement to rotate annually, to allowing a sitting chair to stand for re-election.
 - III. Amendment to 11.1 (Time and Venue of Meetings) to reflect the current practice that Board meetings move around the City Region and do not always take place in the geographical area of the Lead Authority (currently Brighton & Hove City Council).

3 Outcome expected and performance management

- 3.1 That the recommendation that Arun District Council be formally invited to join the GBEJC.

4 Consultation

- 4.1 None required.

5 Corporate plan and council policies

- 5.1 Membership of the Greater Brighton Economic Board contributes to the delivery of the Council's *Growth and Prosperity* objective through ensuring a collective voice representing the Council and its neighbours at national level.
- 5.2 This is reflected in the funding secured via the City Region from Coast to Capital Local Enterprise Partnership, as outlined in Paragraph 1.5.

6 Business case and alternative option(s) considered

- 6.1 The alternative option would be for the membership of the Board to remain as it is currently. However, for the reasons outlined in Paragraphs 2.1 to 2.15, at the meeting of 26 March 2019, the Greater Brighton Economic Board took the decision to extend the membership to incorporate Arun District Council.
- 6.2 On 26 March 2019, the Board also agreed the governance changes outlined in Paragraph 2.16.

7 Financial appraisal

- 7.1 It is proposed that interim contributions are sought from Arun District Council from October 2019, in line with the timetable for their membership. These contributions are based on the current calculations for partner contributions based on the remaining months within the financial year following ratification.
- 7.2 Guidance on how GBEB membership contributions are calculated are contained within Appendix 3.
- 7.3 The recommendations in this report have no direct financial implications for Lewes District Council, as the Council's contribution of £18,000 for 2019/20 will remain unchanged.

8 Legal implications

- 8.1 The GBEJC is a joint committee established pursuant to section 102 of the Local Government Act 1972. This Act and The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 require the constituent authorities of a joint committee to decide the membership of that committee. As a constituent authority, it is therefore necessary for Lewes District Council to adopt recommendation 1 of this report if the Council wishes Arun District Council to become a member of GBEJC.

Lawyer consulted: 03.06.19

Legal ref: 008311-LDC-OD

9 Risk management implications

- 9.1 I have completed a risk assessment. The changes covered by this report are not significant in terms of risk. No new risks will arise if the recommendations of this report are implemented.

10 Equality analysis

- 10.1 An equalities screening was undertaken on the decision for Lewes District Council to join the Greater Brighton Economic Board (as agreed by Cabinet on 13 February 2014). The addition of a new Member to the Board will not impact further on equalities and so no additional analysis has been undertaken at this stage.

11 Appendices

- Appendix 1: Greater Brighton Economic Board Operational Arrangements 2019/20

12 Background papers

The background papers used in compiling this report were as follows:

- None

GREATER BRIGHTON ECONOMIC BOARD	Agenda Item 28
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Subject:	Greater Brighton Economic Board Operational Arrangements for 2019/20		
Date of Meeting:	26 March 2019		
Report of:	Chair, Greater Brighton Officer Programme Board		
Contact Officer:	Name:	Nick Hibberd	Tel: 01273 293756
	Email:	<u>nick.hibberd@brighton-hove.gov.uk</u>	
LA(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT:

- 1.1 This report outlines the preparatory steps needed to support the operational aspects of the Greater Brighton Economic Board ('the Board') in 2019/20.
- 1.2 This report should be read in conjunction with the Heads of Terms ('HoTs') for the Board. The latest version of the Heads of Terms, as agreed by the Board on 6 February 2018, is attached as Appendix 1.

2. RECOMMENDATIONS:

- That the Board:
- 2.1 Agree and secure the budgetary contributions sought to fund the cost of running the Board and delivering its workplan in 2019/20;
 - 2.2 Note the proposed workplan outlined in the Five Year Strategic Priorities and Project paper and agree that a detailed workplan should be presented at the next Board meeting in July alongside the investment pipeline of projects;
 - 2.3 Note that Brighton & Hove City Council shall continue to act as Lead Authority for the Board in 2019/20;
 - 2.4 Agree the process set out at sections 3.16 to 3.18 by which the Chair of the Board shall be nominated for 2019/20;
 - 2.5 Note the date by which the Lead Authority must be notified of all named substitutes and instruct any necessary actions within their respective organisations;
 - 2.6 Note the date by which the Lead Authority must be notified of all nominations to the Greater Brighton Call-In Panel and instruct any necessary actions within their respective organisations;
 - 2.7 Note that the Annual Report will be drafted for presentation to the Board at its first meeting in the new municipal year;

- 2.8 Agree to the proposed changes to the Boards Heads of Terms as outlined in 3.9 below
- 2.9 Note the proposal under agenda item 6 that Arun District Council is formally invited to become a constituent member of the Greater Brighton Economic Joint Committee (GBEJC), subject to the agreement and formal ratification from the Board's member organisations and note this would result in further changes to the Heads of Terms.
- 2.10 Agree to extend the contracts of the Greater Brighton Support Team (1 FTE Business Manager, 0.5 FTE Business Manager and 0.5 FTE Programme Support Officer) by 3 years, as they are due to expire in May 2020, and agree to increase the hours of the 0.5 FTE Business Manager to 0.65 FTC to deliver the workplan and further development of the Five Year Plan.
- 2.11 Agree to extend the current communications contract with the Adur & Worthing Communications Team by another year with an update on the first year's activities provided at the July 2019 Board Meeting.

3. CONTEXT AND BACKGROUND INFORMATION:

- 3.1 The budget to support the running costs of the Board in 18/19 was £300,561 (inclusive of the 2017/18 roll-over of £120,497). The actual spend as at 27 February 2019 is £242,422, which means a carry-forward of £58,139. This includes £30,000 allocated to the ESIF Business Support Programme which has been delayed due to ongoing negotiations between Chichester University and MHCLG. The actual carryover is therefore £28,139. A breakdown of the 2018/19 forecast, budgetary contributions and spend is attached as Appendix 2.
- 3.2 The underspend of £28,139 is due to unspent contingency (c.£15,000) and a reduced spend against the Skills, and Digital workstreams. This work is in progress with some projects completed by the Greater Brighton Support Team, with no additional cost to the Board. A digital mapping exercise is in progress with partners. Skills priorities for the Greater Brighton region were identified through a collaborative workshop held in the summer and the subsequent report submitted to representatives sitting on the new LEP 360 Skills Board. A number of potential projects designed to harness and maintain talent in the city region have been identified within the Five Year Strategic Priorities paper.
- 3.3 It is proposed that the underspend be rolled-over into 2019/20; with £10,000 reserved as a contingency fund and the remaining £18,139 used towards the cost of running the Board and the delivery of its workplan.
- 3.4 The suggested work-plan for 2019/20 is currently being drafted and will comprise projects based on the priorities outlined in the Five Year Strategic Priorities document shared at the last meeting of the Board. In a bid to ensure that costs for contributing member organisations are kept to an acceptable level, it is proposed that the 2019/20 contributions sought from Board members be the same as in 2018/19 (with a 2% increase in line with inflation), and that projects/activities be prioritised accordingly and presented to the Board at the next meeting in July.

- 3.5 In line with sections 12 and 13 of the HoTs, Brighton & Hove City Council is seeking the following contributions from the Board's member organisations:

Organisation	2019/20 Contribution
Coast to Capital LEP	£7,600.00
South Downs National Park Authority	£7,600.00
University of Sussex	£7,600.00
University of Brighton	£7,600.00
Greater Brighton Metropolitan College	£7,600.00
Gatwick Airport Ltd	£7,600.00
Adur District Council	£9,789.00
Brighton & Hove City Council	£53,274.00
Crawley Borough Council	£18,755.00
Worthing Borough Council	£17,011.00
Lewes District Council	£15,350.00
Mid Sussex District Council	£23,121.00
Total 2019/20 Contributions	£182,900.00
Carry-forward from 2018/19	£58,139.00
Total Budget for 2019/20	£241,039.00

- 3.6 Appendix 3 outlines the approach used in 2019/20 to develop the contributions that are being sought.
- 3.7 The budget to support the running costs of the Board in 2019/20 totals £163,227.00, leaving £74,976.00 for the 2019/20 workplan (including £10,000 contingency funding). It is proposed that this be allocated as follows:

Running Costs	
Salary costs (including on-costs) and expenses (inclusive of 2% inflationary rise) <i>As of 6 March 2018, Greater Brighton is supported by a full complement of staff: 1 full time Business Manager, 1 part time Business Manager (2.5 days a week proposed to move to 3.5 days per week from September) and 1 part time Programme Support Officer (2.5 days per week). This is based on a 3-year fixed-term.</i>	£105,080.40
Finance support (inclusive of 2% inflationary rise)	£7,346.17
Legal support (inclusive of 2% inflationary rise)	£10,062.24
Communications support <i>Enhanced communications support has been provided by Adur & Worthing Councils for the last year.</i>	£24,950.00
Annual report, printing and other materials	£5,000.00
Democratic Services support (administrative) (inclusive of 2% inflationary rise)	£4,287.28
Scrutiny (charged £500 (excluding venue) on a 'pay as you go' basis)	£2,000.00
Venue hire, hospitality and refreshments	£3,000.00
Additional costs e.g. IT, travel	£1,500.00
Total running costs	£163,227.00
Work Plan	
ESIF Business Support Bid <i>One-off contribution towards the 100% match-fund requirement (totalling £6m) for the region's European Regional Development Fund Business Support bid</i>	£30,000.00
Other work plan items <i>Projects to be agreed at the July Board</i>	£34,976,
Total Work Plan	£64,976.00

<i>Total Running Costs (from previous page)</i>	£163,227.00
Contingency	£10,000.00
Grand Total	£238,203.00

HEADS OF TERMS:

3.9 There are a number of proposed changes to the Heads of Terms that it is proposed that the Board agrees. These are as follows:

- I. Change to 5.1 (Membership) to reflect the recommendation in 2.1 above that Arun District Council be formally invited to join the GBEJC. This is subject to agreement of another report on this agenda and of Arun DC agreeing to join the Board.
- II. Change to 6.4 (Chair) to reflect the agreed departure from a 1-year fixed-term Chair with the requirement to rotate annually, to allowing a sitting chair to stand for re-election.
- III. Amendment to 11.1 (Time and Venue of Meetings) to reflect the current practice that Board meetings move around the City Region and do not always take place in the geographical area of the Lead Authority.

3.10 Changes to the Board Heads of Terms need to be ratified by each Local Authority Board member as per clause 14.2 of the Heads of Terms which reads as *“These Heads of Terms may be varied only on a resolution of the Board to that effect, and subject to the approval of each body represented on the Board”*

Furthermore The GBEJC is a joint committee established pursuant to section 102 of the Local Government Act 1972. The Local Government Act 1972 and The Local Authorities Arrangements for the Discharge of Functions (England) Regulations 2012 require the constituent authorities of a joint committee to decide the membership of that committee and it is therefore necessary for each of the local authority members of the Board to make an independent decision that Arun District Council should become a member of GBEJC

LEAD AUTHORITY:

3.11 On 17 April 2018, the Board agreed that Brighton & Hove City Council continue to act as Lead Authority for 2018/19. As outlined in section 1.8 of the HoTs, lead authority arrangements are reviewed every two years and therefore this arrangement is maintained in 2019/20.

3.12 In October 2019, each local authority represented on the Board will be invited to submit an expression of interest in fulfilling the role for 2020/21 – 2021/22. The Board shall then instigate a procurement exercise to select the most appropriate authority for that role.

2019/20 BOARD MEETING DATES:

3.13 The Board meeting dates for the new municipal year have been set as follows:

- 16 July 2019
- 15 October 2019
- 28 January 2020
- 21 April 2020

3.14 As in 2018/19, it is proposed that all meetings will commence at 10:00 and be held in alternating locations across the City Region.

MEMBERSHIP AND CHAIRPERSON:

3.15 Local elections will be taking place in May 2019. Seats in all Greater Brighton local authorities are up for selection and this may result in changes to the Board's make-up.

3.16 As outlined in section 6 of the HoTs, the Chair will be elected annually by the Joint Committee members. The Chair of the Joint Committee shall, by virtue of his/her democratic mandate, be the Chair of the Board. It is for the Joint Committee to elect the chair.

3.17 The Chair must be formally appointed at the Board's first meeting in the new municipal year. It is proposed that nominations be sought in advance and that the following process be adopted:

- (1) On 27 May 2019, Brighton & Hove City Council's Democratic Services team will issue an e-mail to the local authority Leaders to ask if they would like to put themselves forward as Chair.
- (2) Those local authority Leaders choosing to put themselves forward must notify Brighton & Hove City Council's Democratic Services of their decision by 10 June 2019.
- (3) On 11 June 2019, Brighton & Hove City Council's Democratic Services will issue an e-mail to all local authority Leaders, advising of the nominations and asking them to cast a vote for their preferred nominee. Each Greater Brighton Economic Joint Committee member will have one vote, save for Brighton & Hove City Council where the Leader of the Opposition will also have a vote. Voting will be completed in confidence. The deadline for votes will be 24 June 2019.
- (4) On 25 June 2019, Brighton & Hove City Council Democratic Services will issue an e-mail to all members of the Board to advise them of the new Chair.
- (5) On 16 July 2019, members of the Greater Brighton Joint Committee will formally appoint the new Chair (this will be the first item of business).

3.18 In the event that the vote is tied, Brighton & Hove City Council's Democratic Services will issue an e-mail to all local authority Leaders, informing that the first round has been tied and asking them to vote again on the preferred nominees.

- 3.19 All member organisations are required to inform Brighton & Hove City Council's Democratic Services of their substitute representatives by 25 June 2019. In line with section 9 of the HoTs, the list of substitutes will be approved by the Board at its first meeting in the new municipal year.
- 3.20 As stated in section 4.3 of the HoTs, the work of the Board shall be subject to review by an ad hoc joint local authority scrutiny panel that is managed by the Lead Authority. It is proposed that the current Call-In Protocol remains unchanged for 2019/20. The Protocol is attached as Appendix 4. Members of the Board are required to inform Brighton & Hove City Council's Democratic Services of their Greater Brighton Call-In Panel representatives by 21 June 2019.

ANNUAL REPORT:

- 3.21 As outlined in section 4.1 of the HoTs, the Board shall submit an annual report to each of the bodies represented on the Board.
- 3.22 It is proposed that the 2018/19 Annual Report be presented to the Board for approval at its first meeting in the new municipal year, scheduled for 16 July 2019.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS:

- 4.1 The proposals are in accordance with the governance arrangements agreed by the Board.

5. COMMUNITY ENGAGEMENT & CONSULTATION:

- 5.1 Not applicable.

6. CONCLUSION:

- 6.1 To ensure that the Board transitions smoothly into the new municipal year, Board members are asked to:

- (1) Agree the budgetary contributions that are being sought to fund the costs of running the Board and delivering its work-plan in 2019/20;
- (2) Note the fact a workplan is proposed to come to the next meeting;
- (3) Note that Brighton & Hove City Council shall continue to act as Lead Authority for the Board in 2019/20;
- (4) Agree the process by which the Chair of the Board shall be nominated for 2019/20, and;
- (5) Note the requirement, and instruct the necessary actions within their respective organisations, to:
 - a. Notify the lead authority of their named substitutes by 25 June 2019, and;

- b. Notify the lead authority of their nominations to the Greater Brighton Call-In Panel by 21 June 2019.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Greater Brighton Economic Board assists with delivering economic development across the region. The Board seeks to secure government and private sector funding and investment in order to deliver this economic development. An annual operating budget is agreed with the Board for the forthcoming financial year to enable the Accountable Body to provide legal, financial, communications and administrative support to allow the Board to deliver its work-plan. Annual contributions are made from member authorities to the Accountable Body toward this budget. The contributions from member authorities are detailed within paragraph 3.5 of this report. The apportionment of contributions from unitary, district and borough councils are based upon the size of their working age populations and are detailed within Appendix 3. The budget for the financial year 2019/20 will reflect anticipated spend for the work-streams ahead including a provision for contingency. The estimated spend of £238,203 for the year is detailed in paragraph 3.8. The forecast spend for the year also includes a sum for work plan items which are yet to be agreed as part of the Five Year Strategic Priorities. A summary of the budget for 2018/19 together with the spend incurred for that financial year is detailed in Appendix 2. A projected underspend of £58,139 is forecast for 2018/19 and this has been rolled over to support the budget for 2019/20. £30,000 of this underspend is already committed to delivering the ESIF Business Support Bid

Finance Officer Consulted: Rob Allen, Principal Accountant
Date: 12/03/19

Legal Implications:

- 7.2 *There are no legal implications arising directly from this report.*

Lawyer Consulted: Joanne Dougnaglo
Date: 11/03/19

Equalities Implications:

- 7.2 None

Sustainability Implications:

- 8.5 None

Any Other Significant Implications:

- 8.6 None

SUPPORTING DOCUMENTATION

Appendices:

1. Heads of Terms for Greater Brighton Economic Board
2. 2018/19 Forecast, Contributions and Spend
3. Approach for Calculating 2019/20 Funding Contributions
4. Greater Brighton Economic Board Call-In Protocol
5. Finance reports

Appendix 1: Heads of Terms for Greater Brighton Economic Board (26 March 2019)

1. Establishment, Purpose and Form

- 1.1. The Greater Brighton Economic Board ("The Board") shall be established from the Commencement Date.
- 1.2. The over-arching purpose of the board is to bring about sustainable economic development and growth across Greater Brighton ('the City Region'). To achieve this, the principal role of the Board is to co-ordinate economic development activities and investment at the regional level.
- 1.3. The Board comprises the Greater Brighton Economic Joint Committee ("GBEJC"), on which the local authorities will be represented; and the Greater Brighton Business Partnership ("GBBP"), on which the Coast to Capital Local Enterprise Partnership, business, university and further education sectors will be represented?
- 1.4. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP.
- 1.5. GBEJC shall be a joint committee appointed by two or more local authorities represented on the Board, in accordance with section 120(1)(b) of the Local Government Act 1972.
- 1.6. The Board may appoint one or more sub-committees.
- 1.7. For the two years starting with the Commencement Date, the lead authority for the Board shall be Brighton & Hove City Council ("BHCC"), whose functions in that capacity shall include the provision of scrutiny (see paragraph 4.3), management of the call-in and review process (see paragraph 8), and the support detailed in paragraph 12.
- 1.8. Unless the Board resolves otherwise, before the start of the third year following the Commencement Date, and every two years thereafter, the Board shall review the lead authority arrangements and, subject to paragraph 1.9, invite each of the local authorities represented on the Board to submit an expression of interest in fulfilling the role of lead authority for the subsequent two year period. The Board shall then instigate a procurement exercise to select the most appropriate authority for that role.
- 1.9. Notwithstanding the appointment of a successor lead authority pursuant to paragraph 1.8, the incumbent lead authority may retain such of their Accountable Body functions as are necessary to enable that local authority to comply with its on-going commitments and liabilities associated with its Accountable Body status.

2. Interpretation

- 2.1. In these Heads of Terms –
 - i. 'Commencement Date' means 1st April 2014.

- ii. 'City Region' means the area encompassing the administrative boundaries of BHCC, Adur District Council, Worthing Borough Council, Lewes District Council, Mid Sussex District Council and Crawley Borough Council as lie within the Coast to Capital Local Enterprise Partnership area; and 'regional' shall be construed accordingly;
- iii. 'economic development' shall bear its natural meaning but with particular emphasis given to :
 - Employment and skills;
 - Infrastructure and transport
 - Housing;
 - Utilisation of property assets;
 - Strategic planning;
 - Economic growth.
- iv. 'Accountable Body' means the local authority represented on the Board carrying out the function set out in paragraph 12.2.

3. Functions

3.1. The Functions of the Board are specified in paragraph 3.2 below and may be exercised only in respect of the Region.

3.2. The functions referred to in paragraph 3.1 are as follows:

- i. To make long term strategic decisions concerning regional economic development and growth;
- ii. To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth;
- iii. To work with national, sub-national (in particular the Coast to Capital Local Enterprise Partnership) and local bodies to support a co-ordinated approach to economic growth across the region;
- iv. To secure funding and investment for the Region;
- v. To ensure delivery of, and provide strategic direction for, major projects and work stream enabled by City Deal funding and devolution of powers;
- vi. To enable those bodies to whom section 110 of the Localism Act 2011 applies to comply more effectively with their duty to co-operate in relation to planning of sustainable development.
- vii. To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes; and for the avoidance of doubt, no other expenditure shall be incurred unless due authority has been given by each body represented on the Board.

3.3. In discharging its function specified in paragraph 3.2 (Viii) above, the Board shall-

- i. (save in exceptional circumstances) seek to invest funding on the basis of-
 - a Proportionality, by reference to the economically active demographic of each administrative area within the city Region;
 - b Deliverability;
 - c Value for money and return on investment / cost benefit ratio; and
 - d Economic impact to the City Region as a whole.
- ii. Delegate implementation of that function to the lead authority, who shall also act as Accountable Body in relation to any matters failing within that function.

4. Reporting and Accountability

4.1. The Board shall submit an annual report to each of the bodies represented on the Board.

4.2. The Greater Brighton Officer Programme Board shall report to the Board and may refer matters to it for consideration and determination.

4.3. The work of the Board is subject to review by an ad hoc joint local authority scrutiny panel set up and managed by the lead authority.

5. Membership

5.1. The following bodies shall be members of the Board:

- i. Brighton & Hove City Council
- ii. Adur District Council
- iii. Worthing Borough Council
- iv. Lewes District Council
- v. Mid-Sussex District Council
- vi. Crawley Borough Council
- vii. [Arun District Council]* ** subject to confirmation by a report later in the agenda*
- viii. University of Sussex
- ix. University of Brighton
- x. Further Education Representative
- xi. Coast to Capital Local Enterprise Partnership
- xii. Brighton & Hove Economic Partnership
- xiii. Adur & Worthing Business Partnership
- xiv. Coastal West Sussex Partnership
- xv. South Downs National Park Authority
- xvi. Gatwick Airport Ltd

5.2. GBEJC shall comprise the bodies specified in paragraphs 5.1(i) to (vii); and GBBP shall comprise the bodies specified in paragraphs 5(viii) to (xvi).

- 5.3. Each of the bodies listed in paragraph 5.1 shall be represented at the Board by one person, save that BHCC shall, by reason of it being a unitary authority, be represented by two persons (as further specified in paragraph 5.4).
- 5.4. Each local authority member shall be represented at the Board by its elected Leader and, in the case of BHCC, by its elected Leader and the Leader of the Opposition.
- 5.5. Each business sector member shall be represented at the Board by the Chairman of that member or by a person nominated by the Board of that member.
- 5.6. Each university member shall be represented by a Vice Chancellor or Pro Vice-Chancellor of that university or by a person nominated by that university member.
- 5.7. Each further education member shall be represented by its Principal or the Chair of its Governing Body or by a person nominated by that further education member.

6. Chair

- 6.1. The Chair of GBEJC shall, by virtue of his/her democratic mandate, be Chair of the Board
- 6.2. If the Chair of GBEJC is unable to attend a Board meeting, the Board shall elect a substitute from its local authority member representatives provided that no such member representative attending in the capacity of a substitute shall be appointed as Chair of GBEJC / the Board.
- 6.3. The Chair of GBEJC for its first year of operation shall be the Leader of BHCC
- 6.4. The Chair will be elected annually by members of the GBEJC. Election of the Chair will be conducted through a formal process performed by the Democratic Services Team of the Lead Authority. The elected Chair will be appointed at the first meeting of the Board in the new municipal year. A Chair may be re-elected but shall not serve as Chair for more than 4 years.

7. Voting

- 7.1. Each person represents a member of GBEJC, and each person representing a member of the GBBP, shall be entitled to vote at their respective meetings.
- 7.2. Voting at each of the concurrent meetings of GBEJC and GBBP shall be by show of hands or, at the discretion of the chair, by any other means permitted by law, and voting outcomes reached at those meetings shall be on a simple majority of votes cast.
- 7.3. Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the Chair of GBEJC shall have a casting vote.

- 7.4. Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the motion/proposal/recommendation under consideration shall fall in relation of GBBP.
- 7.5. Where the respective voting outcomes of GBEJC and GBBC are the same, that shall be taken as the agreed Board decision and the Board may pass a resolution accordingly.
- 7.6. Where the respective voting outcomes of GBEJC and GBBP differ, the Board –
- i. May not pass a resolution relating to that matter; and
 - ii. May refer the matter to the Chief Executive of the lead authority, who may consult with members of the Board or such other persons as are appropriate, with a view to achieving agreement on the matter between GBEJC and GBBP by discussion and negotiation.
- 7.7. Where, pursuant to paragraph 7.6(ii), agreement is reached the matter at issue shall be remitted to, and voted upon at, the next meeting of the Board.
- 7.8. Where, pursuant to paragraph 7.6(ii), no agreement is reached the motion/proposal/recommendation at issue shall fall.

8. Review of decision

- 8.1. Decisions of the Board will be subject to call-in and review in the following circumstances:
- i. Where a local authority voted to agree a recommendation at a GBEJC meeting, but the decision of the Board was not to agree the recommendation.
 - ii. Where a local authority voted against a recommendation at a GBEJC meeting, but the decision of the Board considered that the interests of the body they represent had been significantly prejudiced; or
 - iii. Where any local authority represented on the Board considered that the interests of the body they represent had been significantly prejudiced; or
 - iv. Where any local authority represented on the Board considered that the Board had made a decision beyond its scope of authority.
- 8.2. The procedure for requesting, validation, and implementing a call-in and review is specified in Schedule 1.
- 8.3. Where a request for call-in is accepted, the Board decision to which it relates shall be stayed pending the outcome of the call-in.
- 8.4. Following call-in, the panel convened to review a Board decision may refer the decision back to the Board for re-consideration. Following referral, the Board shall, either at its next scheduled meeting or at a special meeting called for the purpose, consider the panel's concerns over the original decision.

8.5. Having considered the panel's concerns, the Board may alter its original decision or re-affirm it. Paragraph 8.1 shall not apply to the Board's follow-up decision. In consequence, the latter decision may be implemented without further delay.

9. Substitution

9.1. Subject to paragraph 9.2, representatives are expected to attend all meetings however, where a representative of a member of the Board is unable to attend a Board meeting, a substitute representative of that member may attend, speak and vote, in their place for that meeting.

9.2. A substitute member must be appointed from a list of approved substitutes submitted by the respective member to the Board at the start of each municipal year.

10. Quorum

10.1 No business shall be transacted at any meeting of the Board unless at least one third of all member bodies are present, and both GBEJC and GPBBP are quorate.

10.2 Quorum for GBEJC meetings shall be three member bodies.

10.3. Quorum for GBBP meetings shall be three member bodies.

11. Time and Venue of Meetings

11.1 Ordinary meetings of the Board shall be convened by the lead authority and will rotate around the City Region.

11.2 The Chair of the Board may call a special meeting of the Board at any time, subject to providing members with minimum notice of two working days.

12. Administrative, financial and legal support

12.1 The lead authority shall provide the following support services to the Board:

- i. Administrative, as more particularly specified in the Memorandum of Understanding pursuant to paragraph 13;
- ii. Financial (including the Accountable body function specified in paragraph 12.2); and
- iii. Legal, comprising Monitoring Officer and Proper Officer functions in relation to GBEJC meetings.

12.2 The function of the Accountable Body is to take responsibility for the financial management and administration of external grants and funds provided to the Board, and of financial contributions by each member of the Board, as more particularly specified in the Memorandum of Understanding Pursuant to paragraph 13. In fulfilling its role as Accountable Body, the lead authority shall remain independent of the Board.

- 12.3 Other members of the Board shall contribute to the reasonable costs incurred by the lead authority in connection with the activities described in paragraphs 12.1 and 12.2, at such time and manner as the Memorandum of Understanding shall specify.

13 Memorandum of Understanding

- 13.1 Members of the Board may enter into a memorandum of understanding setting out administrative and financial arrangements as between themselves relating to the functioning of the Board.

- 13.2 The memorandum may, in particular, provide for –

- 13.2.1 Arrangements as to the financial contributions by each member towards the work of the Board, including:

- 13.2.1.1 The process by which total financial contributions are calculated;

- 13.2.1.2 The process for determining the contribution to be paid by each member;

- 13.2.1.3 The dates on which contribution are payable;

- 13.2.1.4 How the Accountable Body shall administer and account for such contributions;

- 13.2.2 Functions of the Accountable Body; and

- 13.2.3 The terms of reference for the Greater Brighton Officer Programme Board.

14 Review and Variation of Heads of Terms

- 14.1 The Board shall keep these Heads of Terms under review to ensure that the Board's purpose is given full effect.

- 14.2 These Heads of Terms may be varied only on a resolution of the Board to that effect, and subject to the approval of each body represented on the Board

Appendix 2: 2018/19 Forecast, Contributions and Spend

1. The 2018/19 budget to support the running costs of the Board and the delivery of the workplan totalled £300,561. This was made-up of the 2017/18 roll-over of £120,497 and the contributions as set out in the table below:

Coast to Capital Local Enterprise Partnership	£7,500.00
South Downs National Park Authority	£7,500.00
University of Sussex	£7,500.00
University of Brighton	£7,500.00
Greater Brighton Metropolitan College	£7,500.00
Gatwick Airport Limited	£7,500.00
Adur District Council	£12,345.00
Brighton & Hove City Council	£53,406.00
Crawley Borough Council	£21,130.00
Worthing Borough Council	£19,215.00
Lewes District Council	£17,734.00
Mid Sussex District Council	£11,234.00
Total contributions 2018/19	£180,064.00
Roll-over from 2017/18	£120,497.00
Total budget 2018/19	£300,561.00

2. The 2018/19 budget forecast was as follows:

Salary costs (Including on-costs)	£103,020.00
Finance support	£7,202.13
Legal support	£9,864.94
Communications support (Adur & Worthing Councils)	£10,500.00
Annual Report and other materials	£5,000.00
Democratic Services support	£4,203.22
Scrutiny (Charged at £500 on a 'pay as you go' basis)	£2,000.00
Venue hire & refreshments	£3,000.00
Additional costs e.g. IT, travel	£1,500.00
Total Costs*	£146,290.29
Work plan items	£120,000.00
Contingency	£34,270.90
Grand Total	£300,561.00

* Excluding contingency.

3. The actual 2018/19 spend (including all known commitments as at 25th February 2019) was as follows:

Salary costs (Including on-costs)	£97,290.00
Finance support	£7,202.13
Legal Support	£9,864.94
Communications support (Adur & Worthing Councils)	£24,950.00
Annual Report and other design/materials costs	£5,482.75
Democratic Services support	£4,203.22
Scrutiny	£0.00
Venue hire & refreshments	£3,229.79
Total Costs*	£152,222.83
Work plan items	£70,879.29
Contingency	£19,320

Grand Total	£242,422.12
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* Excluding contingency.

- 10.1 The budget remaining as at 25 February 2019 is £58,139. It is proposed that the remaining budget be rolled-over into 2019/20 to total £238,203 (including contingency) towards the cost of running the Board and the delivery of its work-plan.

Appendix 3: Approach for Calculating 2019/20 Funding Contribution**Total Funds sought for 2019/20 = £182,900**Greater Brighton Business Partnership (GBBP):

- Due to their being largely local authority funded, no contributions will be sought from the Brighton & Hove Economic Partnership, the Adur & Worthing Business Partnership and the Coastal West Sussex Partnership.
- All remaining Business Partnership members will be charged a 'flat fee' of £7,600.

Total funds sought from GBBP = £45,600Greater Brighton Economic Joint Committee:

- The contributions sought from the unitary, district and borough councils for the total remaining funding requirement have been apportioned in relation to the size of their working age populations. Please see the Business and Demographic Overview below.
- The contributions sought from Brighton & Hove City Council, Crawley Borough Council, Adur District Council, Lewes District Council, Mid Sussex Council and Worthing Borough Council are the same as for 2018/19 (with a 2% increase to reflect inflation)
- As a large proportion of Mid Sussex District Council's working age population is based in East Grinstead – an area this is currently outside of the scope of the Investment Programme – it is proposed that they pay 50% of their original contribution calculation and that the remaining 50% be divided equally amongst the remaining members. This is the same arrangement as in previous years.

Organisation	% of working age population (March 2018)	2019/20 Contribution Calculation
Adur District Council	7.13%	£9,789.00
Brighton & Hove City Council	38.81%	£53,274.00
Crawley Borough Council	13.66%	£18,755.00
Worthing Borough Council	12.39%	£17,011.00
Lewes District Council	11.18%	£15,350.00
Mid Sussex District Council	16.84%	£23,121.00
Total	100%	£137,300.00

Greater Brighton Business and Demographic Overview (April 2018) – Updated Table March 2018

Local Authority	Population (mid 2016)	Working age population (mid 2016)	VAT/PAYE Businesses (2017)	VAT/PAYE Business Units (2017)	Business units per 1,000 working age residents	% of total GB population	% of total GB working age population	% of business units in GB area
Adur	65,700	37,459	2,325	2,640	70.4	7.8%	7.1%	6.4%
Brighton & Hove	289,100	204,007	13,665	15,900	77.9	34.9%	38.8%	38.8%
Crawley	113,800	71,792	3,435	4,640	64.6	13.7%	13.7%	11.3%
Lewes	103,200	58,778	4,360	4,990	84.9	12.5%	11.2%	12.2%
Mid Sussex	148,100	88,547	7,360	8,250	93.1	17.9%	16.8%	20.2%
Worthing	109,600	65,124	3,695	4,530	69.6	13.2%	12.4%	11.1%
Totals	829,500	525,707	34,840	40,950		100%	100%	100%

All data sourced from NOMIS. Primary Data Sources: ONS Annual Population Estimates, Inter-Departmental Business Register

Appendix 4: Greater Brighton Economic Board Call-In Protocol

1. Requesting a Call-in

- 1.1. Call-in is a process via which decisions made by the Greater Brighton Economic Board (GBEB) but not yet implemented can be challenged by GBEB members and referred to an independent 'call-in panel' for consideration.
- 1.2. Any decision made by the GBEB may be called-in up to five working days from the date of the meeting at which the decision was taken.
- 1.3. Call-in may triggered by any one or more of the constituent members of the GBEB. Such a request shall be made in writing to the Chief Executive of the lead Local Authority (i.e. the Local Authority responsible for GBEB administration at the time of the call-in request) and shall include the reasons for the request and any alternative decisions proposed.
- 1.4. A request for call-in may be made by any GBEB member local authority:
 - i. where a local authority voted to agree a recommendation at a GBEJC meeting, but the decision of the Board was against the recommendation;
 - ii. where a local authority voted against a recommendation at a meeting of the GBEJC but the decision of the Board was to agree the recommendation;
 - iii. where any local authority represented in the Board considered that the interests of the body they represent had been significantly prejudiced; or
 - iv. where any local authority represented in the Board considered that the Board had made a decision beyond its scope of authority.
- 1.5. The Chief Executive may refuse to accept a call-in request which in his/her opinion is frivolous, vexatious or defamatory or where no reason for the decision to be called-in is given.
- 1.6. Should the request be accepted, the Chief Executive will call-in the decision. This shall have the effect of suspending the decision coming into force and the Chief Executive shall inform the relevant decision makers of the call-in. The Chief Executive shall then call a meeting of the GBEB call-in panel to scrutinise the decision.
- 1.7. The GBEB call-in panel must meet within seven working days of the Chief Executive accepting the call-in request. Should the call-in committee fail to meet within this period, or meet but not be quorate, then the original decision shall come into force at the expiry of the seven day period

2. The GBEB Call-in Panel

- 2.1. The GBEB call-in panel shall include members representing each of the constituent members of the GBEB (i.e. both the Greater Brighton Economic Joint Committee and the Greater Brighton Business Partnership).

- 2.2. The GBEB call-in panel could potentially also include co-opted members from other bodies. Any decision on co-option would be made annually by the GBEB.
- 2.3. Each constituent member of the GBEB shall appoint a member to the GBEB call-in panel. No member of the GBEB call-in panel may also be a member or substitute member on the GBEB – GBEB call-in panel members should be independent of the GBEB to the degree that they have not as individuals been involved in the decision that they are being asked to consider as a call-in.
- 2.4. The Chair of the GBEB call-in panel shall be appointed annually by the GBEB.
- 2.5. Appointments to the GBEB call-in panel shall be annual.
- 2.6. Substitution is permitted on to the GBEB call-in panel. However, no substitute member may be or have been a GBEB member or substitute.
- 2.7. The GBEB call-in panel shall make decisions on the basis of a majority vote. If the vote is spilt then the panel Chair shall have a casting vote.
- 2.8. **Quorum.** To be quorate a meeting of the GBEB call-in panel shall require at least one third of members to be in attendance.
- 2.9. For the purposes of call-in no distinction shall be made between representatives from the members of the Greater Brighton Economic Joint Committee and representatives from the members of the Greater Brighton Business Partnership: all members of the call-in panel will vote together.

3. Call-in meetings

- 3.1. The GBEB call-in panel will consider call-in requests at a special call-in meeting. Typically, the call-in panel will hear from:
- i. the GBEB member who made the call-in request (where a request has been made by more than one member the Chair of the GBEB call-in panel will decide whether to take representations from all the signatories to the call-in request or to ask the signatories to make a single representation). The member(s) who requested a call-in will explain why they feel the original decision was unsound and will suggest an alternative decision.
 - ii. the GBEB. The GBEB Chair (or another GBEB member or an officer supporting the GBEB at the request of the GBEB Chair) will explain why the original decision was made and will provide any additional information they feel is germane. Where the GBEB Chair is a signatory to the call-in request, then another GBEB member (or officer supporting the GBEB) shall attend the call-in meeting to represent the GBEB. This representative will be chosen by the Chief Executive of the lead authority, after discussion with GBEB members.
 - iii. Other organisations, stakeholders or members of the public may be granted the right to make representations to the call-in panel at the discretion of the GBEB call-in panel Chair. However, in general the intention should be to re-

examine the decision originally made not to hold a broader enquiry into the decision in question.

3.2. Call-in does not provide for the call-in panel to substitute its own decision for the original GBEB decision, but merely to refer the matter back to the GBEB. The GBEB can only be asked to reconsider any particular decision once.

3.3. In essence the call-in panel is simply tasked with deciding whether the decision in question should be referred back to the GBEB to be reconsidered. Therefore the only substantive decision the GBEB call-in panel can make is whether to refer the decision back to the GBEB or to let the original decision stand.

3.4. In deciding whether to refer a decision back to the GBEB, the call-in panel shall have regard to:

- i. Any additional information which may have become available since the original decision was made
- ii. The implications of any delay in implementing the original decision
- iii. Whether reconsideration is likely to lead to a different decision
- iv. The importance of the matter raised and the extent to which it relates to the achievement of the GBEB strategic priorities
- v. Whether there is evidence that the decision-making rules in the GBEB constitution have been breached
- vi. Whether there is evidence that the GBEB consultation processes have not been followed
- vii. Whether the decision taken is not in accordance with a policy previously agreed by the GBEB
- viii. Whether there might be an alternative way of dealing with the matter in hand short of referral back to the GBEB

3.5. If having scrutinised the decision, the GBEB call-in panel feels that the decision was seriously flawed, it may refer it back to the GBEB for reconsideration, setting out in writing the nature of its concerns.

3.6. Implementation of any decision referred back to the GBEB remains suspended until the GBEB has met to reconsider the matter. However, should the GBEB call-in panel choose not to refer the matter back to the GBEB for reconsideration then implementation may begin immediately following the call-in committee meeting.

3.7. The GBEB shall reconsider any matter referred back to it by the GBEB call-in panel either at its next scheduled meeting or at a special meeting called for the purpose. Having considered the concerns expressed by the GBEB call-in panel the GBEB is free to make any decision it chooses *including re-affirming its original decision*.

4. Call-in and urgency

- 4.1. The call-in procedure set out above shall not apply where the decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the interests of the GBEB or the general public across the 'Greater Brighton' region. The record of the decision, and notice by which it is made public, shall state if in the opinion of the GBEB the decision is an urgent one and therefore not subject to call-in. This is subject to the agreement of the Chief Executive of the lead authority.
- 4.2. Any decision exempted from call-in for reasons of urgency shall be communicated to the Chair of the GBEB call-in panel by the Chief Executive of the lead authority, together with an explanation as to why the decision has been deemed urgent. The intention is that urgency exceptions are used sparingly and only where there is an overriding reason to do so.

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Report to:	Cabinet
Date:	1 July 2019
Title:	Enabling the development of Community Assets – Market Tower and 2 Fisher Street
Report of:	Ian Fitzpatrick, Director of Regeneration and Planning
Cabinet member:	Councillor Joe Miller
Ward(s):	All
Purpose of report:	To seek a decision about the future of two assets within Lewes - Market Tower and 2 Fisher Street and to outline the rationale for developing a Community Assets Policy for the Council.
Decision type:	Key
Officer recommendation(s):	<p>(1) For Cabinet to agree in principle to disposal of the freehold of Market Tower and 2 Fisher Street to Lewes Town Council.</p> <p>(2) To delegate authority to the Director of Regeneration and Planning in consultation with the Chief Finance Officer and the Portfolio Holder for Regeneration and Growth to agree the final disposal terms subject to:</p> <ul style="list-style-type: none">(i) a red book valuation undertaken by a qualified person for both assets, and(ii) further legal due diligence and exploration of the potential for including restrictive covenants controlling the future use of the properties and overage clauses enabling the Council to share in any future increase in value in the properties realised after the properties have been sold. <p>The scope of the delegation to the Director to include the potential for disposal at an under value in accordance with circular 06/03 where it is considered that this will help to secure the promotion or improvement of the economic, social or environmental well-being of the Council's area.</p> <p>(3) To authorise the Director of Regeneration and Planning on consultation with the Chief Finance Officer and the Portfolio Holder for Regeneration and Growth to undertake all actions required to complete the disposal of the properties above including authorising completion of legal documentation.</p>

(4) To note that a further report will be submitted to Cabinet in the Autumn of 2019 setting out the Council's approach and policy towards community assets.

Reasons for recommendations: **(1) To provide community groups and Town and Parish councils the ability to manage their own estate therefore enhancing the opportunity for them to achieve inward investment and development whilst relieving pressure on the Council's limited resource.**

**Contact Officer(s): Name: Mark Langridge-Kemp
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1 Introduction

- 1.1 Devolution Committee has the remit to consider devolution of open spaces and provide recommendations to Cabinet. Through this process Lewes Town Council (LTC) has requested the freehold disposal of two assets within Lewes – Market Tower and 2 Fisher Street – to the town council. As freehold disposal of property is outside the remit of Devolution Committee and LTC is keen to progress this matter at the earliest opportunity, this proposal is being brought before Cabinet for consideration.
- 1.2 The Cabinet outlined its property strategy within the adopted Corporate Asset Management Plan, produced against a backdrop of reducing Government funding and the changing role of the Council as custodian of its communities. The plan sets out how the Council will challenge the reasons for holding assets (Asset Challenge) to ensure that only those assets that support the aims of the Council's Corporate Plan combining social, cultural environmental and economics benefits are retained.
- 1.3 The Council wishes to ensure that it is protecting the heritage of the town, but it is also highly supportive of enabling others embedded within the community to have control and the ability to develop their own business plans and attract inward investment where this will further the aims of the Council and its communities. In a challenging financial context community groups and town and parish councils have to be flexible and fast to react and engage with funding opportunities, this is often far simpler for them when ownership of the assets sits within their own governance. It is therefore prudent to consider freehold disposal of property assets as part of an Asset Challenge process, where appropriate.

2 Proposal

- 2.1 Market Tower
- 2.2 The property is Grade 2 Listed, of historical significance and occupies a prominent location within Lewes. The Tower was built in 1792 and houses the town bell 'Gabriel'. The bell originally hung in the tower of the old Church of St

Nicholas, which stood on the site of the war memorial. It was removed on the demolition of the church in 1761 and placed in the new tower in 1792.

- 2.3 The property currently houses a weekly 'Lewes Friday Food Market' run by Lewes Local CIC, as well as monthly craft market, for which the Council receives £1350 rent per annum. In addition, LOS Musical Theatre have rehearsal space within the property for which the Council receive £3150 rent per annum. The Council retains liability for external repairs and maintenance and communal areas.
- 2.4 LTC wish to acquire Market Tower to further its prominence as a Lewes landmark historic building, and also to develop the community use of the building. The town council have previously drawn up plans for a refurbishment and modernisation of the property to use it to link the High Street to The Needlemakers and West Street car park in order to improve tourism and community links within the town and it is understood that they may wish to progress this further.
- 2.5 2 Fisher Street
- 2.6 The property has been vacant for a number of years, it links with the Town Hall on the first floor and has direct access to the LTC council chamber. LTC would like to bring the property back into use; the town council would occupy some of the property themselves as there is no space for additional staff within the Town Hall whilst other space would be used to offer a local 'patch office' or a base for community groups and advice surgeries.
- 2.7 Freehold valuations of the properties will be taken on behalf of the Council, and a process of further due diligence and negotiation with LTC will be completed before disposal is finalised. Any disposal agreement would seek to restrict possible future residential conversion and protect the community value of the assets through restrictive covenants and/or overage clauses.
- 2.8 Officers are separately undertaking feasibility work to bring 4 Fisher Street back into commercial use. If LTC also brought 2 Fisher Street back into use, this would be a huge benefit to this part of the town.

3 Community Asset Disposal Policy

- 3.1 Both freehold disposals outlined within this paper have two key drivers;
- The Council has limited funding available to ensure the future stability of the community assets whereas in both cases LTC are willing and capable of providing additional investment, including bringing a property back into use;
 - LTC will be in a better position to attract future external funding for the properties.
- 3.2 It is proposed that a paper come back to Cabinet in Autumn of 2019 which will outline a community asset disposal policy and Council's approach to future

decisions about community assets as it progresses the Asset Challenge process.

4. Corporate plan and council policies

- 4.1 The Corporate Asset Management Plan is clear about the need for the Council to carefully consider its property holdings through an Asset Challenge process and the difficult decisions that this may entail in order to achieve a sustainable asset base. Consideration of retention, investment, transfer and disposal are a key part of this process.
- 4.2 This proposal meets the following aims of the Corporate Plan: Thriving Communities - creating resilient, healthy and engaged stronger communities; Growth and Prosperity – creating a prosperous economy through improving the tourism offer and furthering the community value of assets ; and Value for Money – helping support a sustainable asset base.

5. Business case and alternative option(s) considered

- 5.1 The Corporate Asset Management Plan outlines that in some cases it is appropriate for the Council to dispose of the freehold of assets in order to meet the wider aims of the Corporate Plan and ensure future improved community value of assets. This proposal would bring the Council a capital receipt, remove future maintenance and rate liabilities, and secure the future of two important buildings within Lewes for the community – it is therefore considered the best option for the future of Market Tower and 2 Fisher Street.

6. Financial appraisal

- 6.1 The disposal of both of these properties has the potential to generate capital receipts to the Council, which can be retained or utilised to finance the Council's Capital Programme. As outlined in the report, both disposals will be subject to valuation and further due diligence. As noted in paragraph 3.1 of the report, the Council also has limited funding available to ensure the future stability of the assets whereas LTC could both provide additional investment and attract future external funding.

7. Legal implications

- 7.1 Best consideration and advertising disposal – section 123 Local Government Act 1972

S123 provides a power to dispose of land (except housing land and land held under the Planning acts) subject to restrictions. These are as follows:

- Consideration for the disposal must not be less than the best that can reasonably be obtained in the market, except with the express consent of the Secretary of State. A general consent has been issued by the Secretary of State (circular 06 of 2003), which permits disposals to be made at an under value where a council considers that will help to secure

the promotion or improvement of the economic, social or environmental well-being of its area and the aggregate undervalue does not exceed £2 million.

- There are further procedural requirements to be complied with on a disposal of open space land. A local authority is required to advertise its "intention" in a local newspaper for two consecutive weeks and to consider objections. The advertising process should be done before any final decision is taken on the disposal, so that proper consideration is given to the responses that are received.

7.2 State aid

In disposing of any land or interest in land the Council must ensure that it does so in accordance with State aid rules. There is an automatic assumption that no State aid is present in a sale for "market value" through (i) an open and unconditional bidding process or (ii) an expert valuation. If the automatic assumption does not apply it will be necessary to look at other aspects of the proposal, including whether the disposal falls outside of the State aid regime because it does not fulfil all of the State aid tests.

7.3 Contract Procedure Rules – disposal of land

Subject to certain exceptions, the Council's CPRs say that no freehold sale of land where the value exceeds £50,000 shall be made except after auction or the invitation of tenders or expressions of interest following appropriate public advertisement, unless authorised by Cabinet.

7.4 Restrictive covenants and overage

Consideration should be given to the following:

- Imposing restrictive covenants in the freehold transfers limiting the future use of the properties.
- Including overage clauses in the freehold transfers enabling the Council to share in any future increase in value in the properties realised after the properties have been sold. This will enable the Council to share in any uplift in value if planning permission is granted to develop the properties for something much more valuable, e.g. residential use. A restrictive covenant does not provide adequate protection and also leaves open the amount payable by way of damages in the event of a breach. The precise terms of the overage, including the percentage share and duration of the overage rights, would have to be settled after taking professional advice.

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8. Risk management implications

Any decisions to proceed with the disposal of Council assets is subject to the further due diligence as set out in the recommendations of this report.

9. Equality analysis

An equality analysis has been undertaken and has not identified any equality impacts .

10. Appendices

None.

11. Background papers

None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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