



**Cabinet recommendations for consideration by Council  
at the Meeting of the Council on Thursday, 16 July 2015**

**Cabinet – 6 July 2015**

**5 Finance Update**

The Cabinet considered Report No 80/15 which provided an update on financial matters that affected the General Fund Revenue Account, the Housing Revenue Account and the approved Capital Programme.

Treasury Management investment activity between 28 February and 31 May 2015 was summarised in Table 1 to the Report for which all activity was consistent with the Council's approved Treasury and Investment Strategies for 2014/2015 and 2015/2016.

In accordance with the Council's approved Treasury Strategy Statement, the Audit and Standards Committee reviewed all treasury activity that took place in order to confirm that it had been undertaken in accordance with the approved Strategy. In the event that the Committee had any observations thereon, they would be referred to Cabinet.

The Council had adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management in the Public Services Code and complied with its requirements, one of which was that the Council should receive an Annual Treasury Management Report following the end of each financial year. The Annual Report for 2014/2015 was set out at Appendix 1 to Report No 80/15.

The Council's 2014/2015 Accounts had been closed. The Director of Corporate Services had approved the draft Statement of Accounts on 29 June 2015 and the Accounts had been released to the Council's external auditor BDO and were available to the public for inspection.

The General Fund year end position for 2014/2015 was in line with the budget and remained sufficiently robust to support the Medium Term Financial Strategy. Table 2 to the Report showed the final net expenditure/income for 2014/2015 analysed by statutory service area, as presented in the Council's published budget papers and Table 3 summarised the variations which had led to the overall saving of £75,000 in the cost of Service provision when

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compared with the budget.

In addition to spending on services, contributions to Reserves had been made in 2014/2015 as shown in Table 4 to the Report. Appendix 2 thereto identified the contributions to each Reserve.

Table 4 showed that £1,314,000 had been used from General Fund Reserves in 2014/2015 to fund revenue expenditure. At 31 March 2015, £10,056,000 was held in those Reserves and was available to support future spending. Appendix 2 showed the movements through each Reserve in 2014/2015 and the balance held at the year end. Such analysis corresponded with the position stated in the Council's draft Statement of Accounts. Cabinet was recommended to adopt the General Fund Reserves as set out in Table 6 of the Report with immediate effect.

The Housing Revenue Account outturn for 2014/2015 had produced a net deficit of £90,000 compared with a surplus of £281,000 which had been projected when the 2015/2016 budget had been set. Table 7 to the Report summarised the main variations compared with that projection.

The balance on the Council Tax Collection Fund at 31 March 2015 was a surplus of £975,000 compared with a surplus of £403,000 which had been estimated at the time that the Council Tax for 2015/2016 had been set. Such variance, at just under 1% of income, was well within the acceptable level of tolerance given that the total annual amount of Council Tax due was £58.9m. The earliest that the Collection Fund balance could be distributed was during 2016/2017 which would be between the Council, East Sussex County Council, East Sussex Fire Authority and the Sussex Police and Crime Commissioner, based on 2015/2016 Council Tax amounts, for which approximately 14% of the surplus would be returned to the Council.

The balance on the Business Rates Collection Fund at 31 March 2015 was a deficit of £614,000, for which the Council's share would be £245,000, compared with the break-even position which had been anticipated when the 2015/2016 budget had been set. Such variation was the result of an increase in the provision made in respect of business rates appeals.

Paragraph 4.5 of the Report set out details relating to the Capital Programme 2014/2015 and 2015/2016 which was an allocation of resources to projects relating to the major repair, enhancement or purchase of long-term assets which, in many cases, spanned financial years. Table 9 to the Report summarised the final position in respect of the 2014/2015 Capital Programme and Appendix 3 thereto set out a detailed analysis thereon. In some instances, further variations to the allocations previously agreed during 2014/2015 were necessary, further details of which were set out in Table 10 to the Report.

The Capital Programme for 2015/2016 was set out in Appendix 4 to the Report which had been updated to include the amounts brought forward from 2014/2015. The only other recommended variations related to:

- inclusion of a Play Area project at Newick which was to be fully funded from a Developer's Contribution (line 50); and
- minor adjustment to incorporate a final payment required in

respect of the replacement boiler at Southover House (line 76).

Resolved:

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| <b>5.1</b> | That it be agreed that the Treasury Management activity since the last Report to Cabinet, as referred to in Report No 80/15, has been consistent with the Council's approved Treasury and Investment Strategy; | DCS |
| <b>5.2</b> | That the final position on the General Fund, Housing Revenue Account and Collection Fund accounts for 2014/2015, be agreed;  | DCS |
| <b>5.3</b> | That the allocation of Reserves at 31 March 2015, as shown in Appendix 2 to the Report, be confirmed;  | DCS |
| <b>5.4</b> | That the Reserves shown in Table 6 of the Report, be adopted;  | DCS |
| <b>5.5</b> | That the Capital Programme outturn for 2014/2015, as shown in Appendix 3 to the Report, be agreed;   | DCS |
| <b>5.6</b> | That the updated 2015/2016 Capital Programme, as set out in Appendix 4 to the Report, be approved.   | DCS |

It was further

Recommended:

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| <b>5.7</b> | That the Annual Treasury Management Report for 2014/2015 be approved. | DCS<br>(to<br>note) |
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Reasons for the Decisions:

A Report on funding issues in relation to the Council's General Fund Revenue Account, Housing Revenue Account and Capital Programme is made to each meeting of the Cabinet to ensure that the Council's financial health is kept under continual review. It is essential to ensure that the Council has a sound financial base from which to respond to changing activity levels and demand for statutory services and to ensure that, when appropriate, its finances are adjusted in response to reducing income levels and inflationary pressures on expenditure.

The Council's Treasury Management function deals with very large value transactions on a daily basis. It is essential that the Council is satisfied that appropriate controls are in place and in accordance with the Code of Practice on Treasury Management in the Public Services prepared by the Chartered Institute of Public Finance and Accountancy and adopted by the Council.

† *The Recommendation, and not the Resolutions, in the above Minute is for consideration by Council.*

*Councillors are requested to bring with them to the meeting Report No 80/15 which was circulated with the agenda papers for the meeting of the Cabinet on 6 July 2015. If you require a further copy of the document please contact*

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*Trevor Hayward, Committee Officer, on e-mail [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk) or telephone 01273 471600.*

## **7 Lewes District Local Plan – Part 1 (Joint Core Strategy): Publication of Main Modifications for Consultation**

The Cabinet considered Report No 82/15 which related to a proposal to publish the proposed schedule of Main Modifications to the Lewes District Local Plan Joint Core Strategy (JCS) for a period of eight weeks public consultation. Pursuant to the Examination Hearings and the Planning Inspector's Initial Findings, the Modifications had been drafted in partnership with the South Downs National Park Authority (SDNPA) in order to address the Inspector's recommendations.

The Cabinet Member for Planning, Councillor Jones, reported that the Main Modifications to the JCS would also be considered by the SDNPA at its meeting on 9 July 2015.

Approval was also sought to subsequently submit the Main Modifications, together with any duly made representations received, to the Examination for consideration by the Inspector during any further Hearings and in his final report.

Report No 82/15 did not seek suggested further modifications that were not within the scope of the Inspector's Initial Findings, or factual updates, as all other parts of the plan were considered by the Inspector to be 'essentially sound'. No other modifications had been invited by the Inspector.

The JCS would be the central planning document for the district. It would set out the long term vision and guide development and change up to 2030. It was being prepared in partnership with the SDNPA and had already been subject to a long process of preparation, public consultation and inspection. It had been extensively consulted upon and amended accordingly.

In April 2014 Cabinet had recommended, and Council had subsequently approved at its Annual Meeting on 7 May 2014, the Focussed Amendments version of the JCS for publication and subsequent submission to the Secretary of State for Examination in public. The JCS was submitted in September 2014 and public Examination hearings had taken place in January 2015.

In February 2015, the Council had received the Inspector's Initial Findings letter which confirmed that the Inspector considered the JCS to meet the statutory requirements, including those arising from the Duty to Cooperate and relating to legal compliance. The Initial Findings also found that the District's level of objectively assessed housing needs had been appropriately identified, and accepted the Council's and SDNPA's position that the level of development could not be accommodated in the District without unacceptable environmental consequences.

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However, the Inspector was not convinced that 'no stone had been left unturned' in terms of seeking as many suitable, deliverable and appropriate housing sites as possible. He advised that the evidence of the Examination was that the level of housing growth proposed in the JCS, of 290 homes per year, would not be sufficient to maintain the present levels of employment in the District. Consequently, the Initial Findings letter advised that modifications would be required to the plan in order for it to be capable of being found sound in the final report which included increasing the housing requirement to at least 345 homes per year as set out in paragraph 5 of Report No 82/15.

The Initial Findings letter provided very clear guidance on the changes that the Inspector considered necessary, which had been drafted into schedules of Modifications ready for public consultation. Apart from the suggested modifications relating to housing delivery, the Inspector confirmed that he considered all other elements of the JCS to be essentially sound.

Paragraph 5 of The Report set out details relating to the four schedules of modifications that had been prepared for publication, consultation and subsequent submission to the Examination, namely:

Schedule 1 comprised both Main and Additional modifications which had been identified between the publication of the Focussed Amendments JCS in May 2014 and Submission to the Secretary of State in September 2014.

Schedule 2 comprised both Main and Additional Modifications as proposed to the Examination in the Council's submitted Written Matters Statements in January 2015. It had been considered by the Inspector, including at the public Hearings, but had not yet been subject to formal publication and consultation. Schedule 2 was attached in Appendix 2 to the Report for information and was not subject to Council approval.

Schedule 3 comprised all Main Modifications proposed in response to discussions at the Examination Hearings and in response to the Inspector's Initial Findings, together with any Main Modifications that were previously identified in Schedules 1 and 2. It was only those Main Modifications that the Inspector may consider in his Final Report and which must be subject to public consultation. Details relating to the Main Modifications were set out in Appendix 1 to the Report.

Schedule 4 comprised the Additional Modifications proposed in response to discussions at the Examination Hearings in January 2015 and in response to the Inspector's Initial Findings. Schedule 4 was attached in Appendix 2 to the Report for information and was not subject to Council approval.

The Main Modifications responded to matters that affected the soundness of the JCS. Such changes would be necessary before the plan could be adopted. The Inspector advised at the final Hearing session that, overall, he considered the JCS had been well prepared and well evidenced. However, primarily in light of the shortfall of proposed housing against the level of objectively assessed need for housing, he felt that the balance of sustainable development, as set out in the National Planning Policy Framework namely three elements of environmental, social and economic factors that needed to

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be appropriately balanced, but which had not yet been struck, as the Inspector considered that too much emphasis had been placed on the environmental element of sustainable development, particularly in terms of new housing provision in the JCS.

Paragraph 5.3 of the Report set out details relating to the key matters that were addressed in the proposed modifications, as indicated in the Inspector's Initial Findings Letter.

It was a statutory requirement that the Main Modifications were published and consulted upon for a minimum period of six weeks which, it was proposed, would commence on 24 July 2015. However, as such time was at the start of the summer holiday period, it was proposed to undertake a longer consultation period of eight weeks which, if implemented, would close on 18 September 2015.

There was no statutory requirement to publish or consult upon the schedules of Additional Modifications.

The anticipated timetable for ongoing work on the JCS to adoption was set out in paragraph 7.1 of the Report which might be influenced by the number and content of representations received and the Inspector's timings with particular regard to any additional Hearing sessions that he decided to hold.

Recommended:

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| <b>7.1</b> | That the schedule of Main Modifications to the Joint Core Strategy, as set out in Appendix 1 to Report No 82/15, be published for an eight week period for public representations to be made;  | DBSD<br>(to<br>note) |
| <b>7.2</b> | That the Director of Business Strategy and Development be authorised to submit the schedule of Main Modifications, together with any duly made representations, to the Examination; and  | DBSD<br>(to<br>note) |
| <b>7.3</b> | That the Director of Business Strategy and Development, in consultation with the Lead Member for Planning and the South Downs National Park Authority, be authorised to agree any further Additional (minor) Modifications to the Joint Core Strategy that may result from the remaining Examination process, as deemed necessary to make the document sound or to aid in its practical application for decision-making. | DBSD<br>(to<br>note) |

Reasons for the Decisions:

To ensure that the Joint Core Strategy addresses the Initial Findings of the Planning Inspector in order to result in a sound and National Planning Policy Framework (NPPF) compliant plan.

To ensure that the Joint Core Strategy has addressed the implications of recent changes to national planning policy that have occurred subsequent to its submission for Examination, in order to result in a sound and NPPF compliant plan.

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To ensure that the Joint Core Strategy is progressed through the final stages to adoption in a timely manner, in order to provide the Council and National Park Authority with up-to-date development plan policies against which to determine planning applications.

† *Councillors are requested to bring with them to the meeting Report No 82/15 which was circulated with the agenda papers for the meeting of the Cabinet on 6 July 2015. If you require a further copy of the document please contact Trevor Hayward, Committee Officer, on e-mail [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk) or telephone 01273 471600.*

## **8 Adoption ‘Making’ of the Newick Neighbourhood Plan**

The Cabinet considered Report No 83/15 which related to the proposed adoption of the Newick Neighbourhood Plan (‘Newick Now to 2030’) as part of the statutory development plan.

The 2011 Localism Act had allowed for local communities to shape their areas by enabling town and parish councils to prepare neighbourhood development plans, an issue which had been enthusiastically taken up by many of the towns and parishes in the District.

Once adopted, such Plans formed part of the statutory development plan and sat alongside the Local Plan which was prepared by the Council. In instances when planning permission was sought in areas covered by an adopted neighbourhood plan, the application needed to be determined in accordance with both the neighbourhood plan and the Local Plan.

There were several legally prescribed stages that needed to be undertaken in the preparation of a neighbourhood plan, further details of which were set out in paragraph 2.3 of the Report.

Paragraphs 3.1 to 3.11 of the Report set out details relating to the progress that had been made in respect of the Newick Neighbourhood Plan upon which, on 26 February 2015, a referendum had been held in Newick Parish that had posed the following question to eligible voters:

“Do you want Lewes District Council to use the Neighbourhood Plan for Newick Parish to help decide planning applications in the neighbourhood area?”

49% of registered electors had recorded their votes, 846 of which were in favour of ‘yes’ compared with 102 in favour of ‘No’. Consequently, it was declared that more than half of those voting had voted in favour of the Plan.

In accordance with the Neighbourhood Planning Regulations, following the outcome of the referendum it was for the Council to ‘make’ the neighbourhood plan so that it formally became part of the development plan for the District.

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Section 38A of the Planning and Compulsory Purchase Act 2004 (as amended) set out the requirement for a local planning authority when it came to adopting (or 'making') a neighbourhood plan, further details of which were set out in paragraph 3.11 of the Report.

Recommended:

- 8.1** That the Newick Neighbourhood Plan, as referred to in Report No 83/15, be formally adopted as part of the statutory development plan for the district.

DBSD  
(to  
note)

Reasons for the Decision:

The Newick Neighbourhood Plan has undergone a successful examination and received a majority vote in favour at a referendum.

To comply with the Localism Act which requires local planning authorities to 'make' a neighbourhood development plan as soon as reasonably practicable following a successful referendum.

- † *Councillors are requested to bring with them to the meeting Report No 83/15 which was circulated with the agenda papers for the meeting of the Cabinet on 6 July 2015. If you require a further copy of the document please contact Trevor Hayward, Committee Officer, on e-mail [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk) or telephone 01273 471600.*

### **13 Electoral Review: Council Size**

The Cabinet considered Report No 88/15 which sought views on the recommendations of the Council's Electoral Review Working Group on Council size, as part of the East Sussex-wide Electoral Review that was being conducted by the Local Government Boundary Commission for England (LGBCE).

The LGBCE was required to undertake an Electoral Review of East Sussex County Council prior to the next County Council elections in May 2017. In addition, reviews were being conducted in Wealden and Hastings as part of the process as, in both authorities, electorate imbalance in wards/divisions had triggered the need for such a review.

Whilst there was no current requirement for such a review in Eastbourne, Lewes or Rother, the LGBCE had asked to review the whole County at the same time and all the relevant authorities had agreed to take part. There were advantages of East Sussex County Council and the District and Borough Councils being reviewed together which included the potential for coterminous boundaries and economies of scale.

Consistency of approach to the Review was being overseen by a joint officer Project team with representatives from all the authorities. However, each



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Council needed to produce its own review proposals.

Following a presentation to councillors relating to the Review in April 2015, a cross-party Electoral Review Working Group had been formed which looked at the first key issue namely, the number of councillors required to run the Council to ensure appropriate levels of governance, scrutiny and community representation, which would come into effect at the next District Council elections that were scheduled to be held in May 2019. The second issue, which was not for consideration as part of Report No 88/15, related to the making of proposals in respect of ward numbers, boundaries and names.

The Council currently had 41 Councillors and 21 wards, and its boundaries were coterminous with the 8 county electoral divisions that covered the District.

The LGBCE had made it clear that council size changes would be considered within specific representational ranges appropriate to the size and demographic of the District. In the case of the Council, the approved range was a council membership of from 27 to 59 therefore, the Council had scope to increase, reduce or maintain its current size.

The Electoral Review Working Group, comprising cross-party representation of all the political Group Leaders, had met on 5 May 2015 to consider and formulate a council size proposal for recommendation to full Council, further details of which were set out in paragraph 4 of the Report. That process had included a review of the results of a survey which had been circulated to all councillors, together with other considerations.

Having regard to the retention of the same statutory democratic structure as had existed in 2000, the advancements in technological tools and the organisational improvements in addressing issues in the community, it was recommended that the Council submit a proposal on its size within the range from 35 to 41 Councillors, with the final preferred number to be agreed by full Council.

Paragraph 5 of the Report set out details relating to the timetable and further work associated with the submission of draft proposals on council size to the LGBCE and for the second key stage of the Review in respect of proposed ward numbers, boundaries and names.

Resolved:

- 13.1** That the proposals of the Electoral Review Working Group on Council size, as set out in Report No 88/15, be noted;
- 13.2** That the scope for the Electoral Review Working Group to consider ward proposals be noted; and
- 13.3** That the timescale of reporting for the submissions on Council size and ward proposals be noted.

It was further

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Recommended:

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| <b>13.4</b> | That the recommendation of the Electoral Review Working Group that the proposed Council size of Lewes District Council from 2019 should range between 35 to 41 councillors, be agreed;                               | ADCS<br>(to<br>note) |
| <b>13.5</b> | That the Council decide the final preferred number of councillors from within the proposed range of 35 to 41 councillors for the submission to the Local Government Boundary Commission for England on Council size; | ADCS<br>(to<br>note) |
| <b>13.6</b> | That the scope for the Electoral Review Working Group to consider and produce the subsequent proposals for wards (names, number and boundaries), be confirmed; and   | ADCS<br>(to<br>note) |
| <b>13.7</b> | That the timetable of reporting for the submissions on Council size and ward proposals, be noted.  |                      |

Reasons for the Decisions:

To achieve the outcomes of the Electoral Review and to ensure the Local Government Boundary Commission for England timetable is met.

† *The Recommendations, and not the Resolutions, in the above Minute are for consideration by Council.*

*Councillors are requested to bring with them to the meeting Report No 88/15 which was circulated with the agenda papers for the meeting of the Cabinet on 6 July 2015. If you require a further copy of the document please contact Trevor Hayward, Committee Officer, on e-mail [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk) or telephone 01273 471600.*