

# Cabinet

## 10 February 2020



**Time and venue:**

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

**Membership:**

**Councillor Zoe Nicholson (Chair); Councillors James MacCleary (Vice-Chair) Matthew Bird, Julie Carr, Chris Collier, Johnny Denis, William Meyer, Emily O'Brien and Ruth O'Keeffe**

**Quorum: 4**

*Published: Friday, 31 January 2020*

## Agenda

**1 Minutes of the meeting held on 28 October 2020 (Pages 7 - 14)**

**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 3 - 2019-2020** (Pages 15 - 38)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor Chris Collier

## **9 Corporate plan 2020-24** (Pages 39 - 50)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor Zoe Nicholson

## **10 Voluntary sector support** (Pages 51 - 62)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor Johnny Denis

## **11 'Making' the Seaford Neighbourhood Plan** (Pages 63 - 68)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor Emily O'Brien

## **12 Adoption of the Lewes District Local Plan Part 2: Site Allocations & Development Management** (Pages 69 - 240)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor Emily O'Brien

## **13 Housing Revenue Account (HRA) 30-Year Business Plan Update** (Pages 241 - 256)

Report of Chief Finance Officer and Director of Regeneration and Planning  
Lead Cabinet members: Councillors Zoe Nicholson and William Meyer

## **14 Housing revenue account budget 2020/21** (Pages 257 - 268)

Report of Chief Finance Officer  
Lead Cabinet member: Councillor Zoe Nicholson

## **15 The Werks Group - Creative Hub Lewes** (Pages 269 - 274)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor James MacCleary

**16 Avis Way Waste Vehicle Depot - Revised Funding** (Pages 275 - 278)

Report of Director of Regeneration and Planning and Director of Service Delivery  
Lead Cabinet member: Councillor Julie Carr

**17 Climate Change and Sustainability Strategy- progress update**  
(Pages 279 - 292)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor Matthew Bird

**18 Former Police Station, South Road, Newhaven** (Pages 293 - 302)

Report of Director of Regeneration and Planning  
Lead Cabinet members: Councillor William Meyer

(This report contains an exempt appendix. Any discussion of this must take place at item 24 following exclusion of the public.)

**19 General Fund Revenue Budget 2020/21 and Capital Programme**  
(Pages 303 - 334)

Report of Chief Finance Officer  
Lead Cabinet member: Councillor Zoe Nicholson

**20 Treasury Management and Prudential Indicators 2020/21, Capital Strategy & Investment Strategy** (Pages 335 - 378)

Report of Chief Finance Officer  
Lead Cabinet member: Councillor Zoe Nicholson

**21 Council tax and business rate base 2020/21** (Pages 379 - 390)

Report of Chief Finance Officer  
Lead Cabinet member: Councillor Zoe Nicholson

**22 Annual Review of Fees and Charges** (Pages 391 - 410)

Report of Chief Finance Officer  
Lead Cabinet member: Councillor Zoe Nicholson

**23 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).

**24 Former Police Station, South Road, Newhaven - Appendix 3**  
(Pages 411 - 412)

Report of Director of Regeneration and Planning  
Lead Cabinet member: Councillor William Meyer

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.

**Email:** [committees@lewes-eastbourne.gov.uk](mailto:committees@lewes-eastbourne.gov.uk)

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## Cabinet

**Minutes of meeting held in Ditchling Room at Southover House, Southover Road, Lewes, BN7 1AB on 28 October 2019 at 2.30 pm**

### **Present:**

Councillor Zoe Nicholson (Chair)

Councillors Matthew Bird, Julie Carr, Chris Collier, Johnny Denis, William Meyer and Emily O'Brien

### **Officers in attendance:**

Robert Cottrill (Chief Executive), Homira Javadi (Chief Finance Officer), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Tim Whelan (Director of Service Delivery), Peter Finnis (Assistant Director for Corporate Governance), Catherine Knight (Assistant Director of Legal and Democratic Services), Linda Farley (Head of Customer First), Jane Goodall (Strategy and Partnership Lead, Quality Environment), Emma Kemp (Planning Policy Officer), Simon Russell (Committee and Civic Services Manager) and Tondra Thom (Planning Policy Lead)

### **Also in attendance:**

Councillor Roy Burman, Councillor Isabelle Linington (Leader of the Opposition) and Councillor Julian Peterson (Chair of Audit and Standards Committee)

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

## **36 Minutes of the meeting held on 16 September 2019**

The minutes of the meeting held on 16 September 2019 were submitted and approved and the Chair was authorised to sign them as a correct record.

Following approval of the minutes, the Assistant Director for Corporate Governance provided an update on the Council's contingency planning for Brexit since the last meeting. The Cabinet were advised that discussions had taken place with the Citizens Advice Bureau (CAB) and 3VA and plans were being put in place to support EU Nationals in the Lewes District wishing to apply to the EU Settlement Scheme.

Updated correspondence had also been received from the Department for Transport (DfT) in relation to Newhaven Port and this had been circulated to the Cabinet and communicated to the relevant Town and Parish Councils. The DfT still considered disruption in the event of a no-deal Brexit to be low to

zero however should any local implications arise it would be the responsibility of the Sussex Resilience Forum to put appropriate contingency plans in place. The Working Group for Newhaven Port continued to meet and assess risks and put mitigations in place should anything arise.

In response to a question, the Assistant Director for Corporate Governance confirmed that he would investigate the suggestion that East Sussex County Council were making plans to implement a lorry park in Newhaven in the event of Brexit and would provide an update to the Cabinet.

### **37 Apologies for absence**

Apologies for absence were reported from Councillors MacCleary and O'Keeffe.

An apology for absence was also reported from visiting member and Chair of Scrutiny Committee, Councillor Joe Miller.

### **38 Declarations of interest**

Visiting member and Chair of Audit and Standards Committee, Councillor Peterson declared a personal interest in agenda item 10 (Community Infrastructure Levy Spending Recommendations) as the Parish Clerk for Piddinhoe Parish Council and remained in the room and took part in the discussion.

### **39 Local Council Tax Reduction Scheme and Council Tax Class C Discount**

The Cabinet considered the report of the Director of Service Delivery regarding the Local Council Tax Reduction (CTR) Scheme 2020/21 and Council Tax Class C Discount.

It was clarified that the removal of the discount would raise an estimated £28,000 for the Council. The additional monies would be used to support those self-employed CTR claimants who were affected by the application of the minimum-income floor. Further details were contained in the report.

In response to points raised by visiting member, Councillor Linington, it was clarified that officers would be undertaking significant checks to ensure the scheme would not be exploited.

Ms Debbie Twitchen, Tenants Representative addressed the Cabinet in support of the recommendations.

The Cabinet welcomed the pilot scheme that would give more assistance to the most vulnerable residents.

#### **Recommended to Council (Budget and policy framework):**

(1) To recommend to Full Council that the 2019/20 Local Council Tax Reduction Scheme be adopted as the 2020/21 scheme.



(2) To recommend to Full Council that the Council Tax Class C Discount for empty and unfurnished properties be ended from 1 April 2020.

**(Key decision):**

(3) To establish a pilot scheme during 2020/21 to provide additional relief to the self-employed on very low income.

**Reasons for decisions:**

(1) Ending the Class C discount would encourage property owners to try to avoid having properties that are not occupied.

(2) The additional monies raised would be used to support those self-employed CTR claimants who were affected by the application of the minimum income floor and during the year of 2020/21 assess the likely impact on the council tax base of removal of minimum income floor.

**40 Pesticide policy and pollinator strategy**

The Cabinet considered the report of the Director of Service Delivery introducing the Council's Pesticide Policy and Pollinator Strategy.

Ms Debbie Twitchen, Tenants Representative praised Karen Rigby-Faux, Community Liaison Officer for Burleys for her tireless work campaigning for pesticide free areas across Lewes District.

Visiting member, Councillor Linington supported the proposals outlined in the report and commented that the process had begun during the previous administration.

Thanks were conveyed to Jane Goodall, Strategy and Partnership Lead (Quality Environment) and Andy Frost, Senior Specialist Advisor (Open Spaces / Contracts) for their work in carrying out the vision of the administration, as well as an appreciation of the expertise in the team.

It was hoped that the strategy and policy would help influence East Sussex County Council and other partners to take a similar approach.

**Resolved (Key decision):**

(1) To approve the Pesticide Policy and agree that the policy would be reviewed one year from adoption

(2) To approve the Pollinator Strategy for adoption and agree that the strategy would be reviewed in 2021.

**Reason for decisions:**

To provide a framework and action plans for Lewes District Council in its approach to land management

#### **41 Community Infrastructure Levy Spending Recommendations**

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning seeking their approval to release Community Infrastructure Levy (CIL) funds, as recommended by the CIL Executive Board. This would assist in the delivery of certain infrastructure projects required to support development in the district.

It was clarified that the figure for Newhaven Band Stand was £13,280 as this had not been confirmed prior to the report's publication.

Visiting member and Chair of Audit and Standards Committee, Councillor Peterson declared a personal interest in this item as the Parish Clerk for Piddinhoe Parish Council and remained in the room and took part in the discussion. He addressed the Cabinet and raised concerns about the safety at Egrets Way. It was clarified that Cabinet did not interfere in the bidding process and its remit was to consider whether or not to release funds as applied for.

The Deputy Chief Executive and Director of Regeneration and Planning commented that the Council took a robust approach to collection and enforcement which had resulted in a significantly high collection rate.

##### **Resolved (Key decision):**

To agree the release of funds from the Community Infrastructure Levy (CIL) governance pots as recommended by the CIL Executive Board.

##### **Reason for decision:**

To support the delivery of the right level and type of infrastructure to support the growth identified for the local planning authority in the adopted Joint Core Strategy.

#### **42 Draft Revised Statement of Community Involvement**

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning seeking their approval to publish the Draft Revised Statement of Community Involvement for a consultation period of 8 weeks.

A revised version of section 1.17 of the Statement of Community Involvement had been circulated to the Cabinet and would be amended for the version that would be sent out to consultation.

Thanks were conveyed to Tondra Thom, Planning Policy Lead and her team for their work in producing the document.

**Resolved (Budget and policy framework):**

To approve the publication of the Draft Revised Statement of Community Involvement for a consultation period of 8 weeks.

**Reason for decision:**

To ensure that progress is made in reviewing and updating the Council's Statement of Community Involvement in accordance with national legislation.

**43 Adoption of the Newhaven Neighbourhood Plan**

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning regarding the potential adoption of the Newhaven Neighbourhood Plan following a successful referendum on the 10 October 2019.

1,105 voted in support of the Neighbourhood Plan, with 192 voting against.

Thanks were conveyed to Newhaven Town Council for their work in producing the Plan, with support and advice from the District Council.

**Recommended to Council (Budget and policy framework):**

To recommend to Full Council that the Newhaven Neighbourhood Plan be formally adopted as part of the statutory development plan for the district.

**Reason for decision:**

To ensure the Newhaven Neighbourhood Plan is 'made' within the timeframe set out by the Neighbourhood Planning (General) Regulations 2012.

**44 Property Disposal and Transfer Policy Revision**

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning asking them to consider revisions to the Property Disposal and Transfer Policy to include reference to Community Asset Transfer and Devolution.

**Resolved (Key decision):**

To agree and adopt the revisions to the Policy Disposal and Transfer Policy to include provision for Community Asset Transfer.

**Reason for decision:**

The Policy Disposal and Transfer Policy needs to be updated to include provision for Community Asset Transfer.

**45 Housing development update**

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning seeking their approval for a new sustainable Council housing project and to amend plans for ongoing housing development schemes, ensuring they have a focus on sustainable design and delivery.

Ms Debbie Twitchen, Tenants Representative, addressed the Cabinet in support of the proposed recommendations.

The Deputy Chief Executive and Director of Regeneration and Planning advised that as the schemes progressed the Council would be incorporating as many sustainability measures to ensure they meet the priorities of the administration.

It was clarified that residents for the areas affected would be consulted in detail as part of the standard planning process.

**Resolved (Key decision):**

(1) To note and approve the updated Lewes Town & Ringmer Council Housing Infill programme, as laid out at appendix 1 to the report, subject to a final costed plan being approved by Cabinet.

(2) To approve an in principle programme of Council housing on infill land in Newhaven, as laid out at appendix 2 to the report, subject to a final costed plan being approved by Cabinet.

(3) To note the updated development scheme at Anchor Field, Ringmer.

(4) To approve the sale of Housing Revenue Account (HRA) land to Aspiration Homes LLP (AHLLP) for the construction of 11 affordable rented homes at Anchor Field, Ringmer and associated loan to deliver the affordable housing. The delegations for the sale of HRA land and loan facilities are as contained in the Cabinet report of 23<sup>rd</sup> April 2018 entitled "Housing Development Update".

**Reason for decisions:**

The overarching reason for the recommendations is to maximise the Council's ability to provide affordable housing within the District, partly through the full utilisation of receipts received from Council homes sold under the Right to Buy.

**46 Any other business**

Ms Debbie Twitchen, Tenants Representative addressed the Cabinet in relation to Tenants of Lewes District's (TOLD) input into the budget setting process for the Housing Revenue Account. The Director of Service Delivery confirmed that a meeting had been booked and would answer the questions that had been raised.

The meeting ended at 3.28 pm

Councillor Zoe Nicholson (Chair)

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|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>Portfolio Progress and Performance Report 2019/20- Quarter 3 (1 October-31 December 2019)</b>  |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning</b>  |
| <b>Cabinet member:</b>              | <b>Councillor Chris Collier, Cabinet member for Performance and People</b>  |
| <b>Ward(s):</b>                     | <b>All</b>  |
| <b>Purpose of report:</b>           | <b>To consider the Council's progress and performance in respect of key projects and targets contained in the Corporate Plan 2016-20 for the second and third quarters of the year (July- December 2019) as shown in Appendix 1.</b>          |
| <b>Decision type:</b>               | <b>Non-key</b>  |
| <b>Officer recommendation(s):</b>   | <b>Note progress and performance for Quarter 3 and Quarter 2. To consider any recommendations from the Scrutiny committee who considered the report on 6 Feb.</b>   |
| <b>Reasons for recommendations:</b> | <b>To enable Cabinet members to consider specific aspects of the Council's progress and performance.</b>  |
| <b>Contact Officer(s):</b>          | <b>Name: Millie McDevitt<br/>Post title: Projects and Performance Lead<br/>E-mail: <a href="mailto:Millie.McDevitt@lewes-eastbourne.gov.uk">Millie.McDevitt@lewes-eastbourne.gov.uk</a><br/>Telephone number: 01273 085637 / 01323 415637</b> |

## **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 as set out in the Corporate Plan 2016-20 for the third quarter of 2019/20 (the period running from 1st October to 31 December 2019).

- 1.4 The report also provides the out-turn from the second quarter. This would usually be done a the preceding quarter's information is usually given, however is particularly worth noting given that purdah for the general election meant that Q2's performance out-turn was not presented at the usual time.

## **2 Performance in the third quarter of 2019/20**

- 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 Financial Appraisal**

- 3.1 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.

## **4 Legal Implications**

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

## **5 Risk Management Implications**

- 5.1 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.



## **6 Equality Analysis**

- 6.1 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.









## **7 Appendices**

- 7.1 Appendix 1 – Portfolio Progress and Performance Report (Quarter 3 2019/20)

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Appendix 1


## Lewes District Council Portfolio Progress and Performance Report Quarter 3 2019-2020 (1 October to 31 December)

| Key   |  |   |   |
|---|--|---|---|
|    | Performance that is at or above target<br>Project is on track        |    | Performance that is below target<br>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<br>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   |





## 1. Leader & lead officer (Deputy Chief Executive)

### Projects & Programmes

| Project / Initiative                            | Description   | Target Completion or key milestone date     | Status  | Update  |
|---|---|---|---|---|
| <p>Page 20</p> <p>North Street Quarter</p>      | <p>Regeneration of the North Street Quarter area in Lewes to provide 416 homes; health hub; car park and new commercial space.</p>  | <p>Phase 1 completion: Q1 2021/22</p>       |    | <p>North Street Quarter Ltd (NSQL) commenced marketing the scheme for a developer (for all three phases) on 22 June 2019. The closing date for initial bids was 31st October 2019, with best and final offers by 9th December 2019. Bids are currently being reviewed.</p> <p>The land collaboration (legal) agreement between NSQL and LDC will require that any prospective developer provides a range of information to satisfy the landowners that it has the financial capacity and experience to deliver the scheme. As soon as a developer has been identified, a more detailed development programme / timelines will be available. Both landowners will remain actively involved in the scheme following appointment of a developer.</p> <p>LDC continues to work to secure the remaining third party freehold land interests at the site.</p> |
| <p>Springman House- Blue light services hub</p> | <p>Relocation of key emergency services to create a blue light services hub that supports delivery of the North Street Quarter.</p> | <p>Q3 2019/20- key milestone (planning)</p> |  | <p>Discussions are ongoing with East Sussex Fire &amp; Rescue service, Sussex Police and SECAmb about the final scheme/ layout design. By end Q3 we had hoped to have progressed further towards planning application and are now aiming to submit Autumn 2020.</p> <p>Build costs for the agreed fire station scheme are in excess of estimates made at project start hence the amber rating. Build costs will need to be agreed with NSQL as project costs to the NSQ scheme.</p> <p>Heads of term will now be updated to reflect the current scheme.</p>   |




| Project / Initiative                               | Description  | Target Completion or key milestone date | Status  | Update  |
|--|--|---|---|---|
| Seaford Health hub (formerly Downs Leisure Centre) | Project is intended to deliver new premises for two GP practices and East Sussex Healthcare NHS Trust, new and refurbished space in the Downs (Wave) Leisure Centre, a pharmacy and new facilities for the Over 60s' Club. | Q3 2020/21                              |  | The Council's Scrutiny Committee established a working group to look at the proposals for the Downs site / the development of a Seaford Health Hub, and the issues raised by members of the Council, and to acknowledge and consider the petition received by Full Council.<br><br>The working group will report to Scrutiny on 6 Feb and then Cabinet. |

## Key Performance Indicators

| KPI<br>Page 21  | Annual Target              | Preceding year:<br>Q3 2018/19      | Preceding quarter:<br>Q2 2019/20   | Current:<br>Q3 2019/20    | Performance trend   | Status  | Notes  |
|---|----------------------------|------------------------------------|------------------------------------|---------------------------|---|---|--|
|   |                            | Out-turn                           | Out-turn                           | Out-turn                  | Q2 to Q3  |   |  |
| Maximise amount of Council Tax collected during the year    | 98% (profiled per quarter) | 85.57% (vs 85.77% profiled target) | 57.07% (vs 57.81% profiled target) | 84.93% (vs 85.57% target) |    |    | Whilst the collection rate is 0.64% below target, it has improved on last month when it was -0.97% below. This improvement is expected to continue during Q4.  |
| Maximise amount of Business Rates collected during the year | 98.5% (profiled)           | 84.07% (vs 85.05%)                 | 55.28% (vs 54.64% profiled target) | 81.67% (vs 84.07% target) |  |  | The collection rate is 2.4% below target mainly due to an increase in the net collectable debit resulting from Retail Relief being removed from accounts where there was no entitlement to relief following review. 200 final notices were issued during December totalling £800k which will be summonsed in January if the ratepayer fails to reach an agreement or settle the arrears in full. |


## 2. Regeneration and Prosperity portfolio holder & lead officer (Deputy Chief Executive):


### Projects & Programmes

| Project / Initiative                          | Description  | Target Completion or key milestone date  | Status  | Update   |
|---|--|--|---|--|
| Newhaven Enterprise Zone (NEZ)<br><br>Page 22 | NEZ covers 8 key sites of strategic importance with the aim of driving economic growth through the creation of up to 55,000m <sup>2</sup> of new employment floor space, refurbishing 15,000m <sup>2</sup> of existing employment floor space and creating / sustaining up to 2,000 FTE jobs over a 25-year period.<br>In 2019/20 we expect to reach the following milestones: | Overall Q4 2041/42<br><br>Specific milestones listed under Newhaven town centre & Railway Quay |    | The EZ has transferred from the governance structure of Coast to Capital to LEP to South East LEP. The board has been widened to ensure representation from the private and voluntary sector and it is working towards prioritisation of the investment by site and by projects. Business cases are being developed as appropriate to assist and inform this decision making –process.<br><br>The project is gaining momentum as further potential funding opportunities become available. |
| Newhaven Town Centre                          | Delivery of mixed use regeneration scheme within NEZ.  | Q4 2020/21   |    | Ongoing work into viability of the scheme. The Coop site has been earmarked for potential funding from the Future High Streets fund.   |
| Railway Quay                                  | Delivery of mixed use regeneration scheme within NEZ.  | Q2 2020/21   |  | Project delayed as awaiting a decision from central government (Department for Education) on the council's proposal to develop the adjacent UTC. The UTC development has a bearing on how we develop Railway Quay.   |

### 3. Planning portfolio holder & lead officer (Deputy Chief Executive)











#### Projects & Programmes

| Project / Initiative                         | Description                        | Target Completion or key milestone date | Status   | Update   |
|--|------------------------------------|---|--|--|
| <p>Page 23</p> <p>Neighbourhood Planning</p> | <p>Ongoing with annual review.</p> | <p>Q4 2019/20</p>                       | <p></p> | <p>Seaford NP: The Seaford Neighbourhood Plan (NP) has completed examination. The examiner has recommended that subject to modifications, the neighbourhood plan should progress to referendum. Subject to the modifications recommended at examination, regard should be had to the policies of the Seaford Neighbourhood Plan in making planning decisions. The referendum is scheduled for February 2020.</p> <p>Newhaven : The Newhaven Neighbourhood Plan was successful at referendum and was 'made' on 27<sup>th</sup> November 2019 and forms part of the Lewes District Development Plan.</p> <p>Peacehaven and Telscombe : The Qualifying Body has applied for technical support from Locality in order to progress with the Sustainability Appraisal and Strategic Environmental Assessment. The appointed consultant, AECOM, has produced a draft Site Assessment report for comment. The town councils have appointed a consultant, to progress the plan.</p> <p>Ringmer: No changes were made to the Ringmer NP prior to the May elections. Ringmer Parish council can initiate a review of the neighbourhood plan at any time to address minor or more moderate changes as required and the Neighbourhood Planning Officer will respond with support as necessary once advised by the Parish Council that a review will take place.</p> <p>Chailey : The Regulation 14 Consultation concluded on June 28<sup>th</sup>. The parish council has accepted most of the representations made by both statutory and non-statutory consultees and revisions to the Chailey Neighbourhood Plan are underway. Chailey parish council has not yet submitted the neighbourhood plan for a pre-Regulation16 review.</p> |

| Project / Initiative | Description  | Target Completion or key milestone date | Status  | Update  |
|----------------------|--|---|---|---|
|                      |  |   |   | <p>Newick : The Parish Council are considering a review of the Newick Neighbourhood plan. The neighbourhood plan officer has been in contact with the parish council to discuss a review.</p> <p>Barcombe - The neighbourhood plan officer met with the chair of the Barcombe neighbourhood plan steering group to discuss the reasons for the group disbanding. The chair has confirmed that the group do not feel that the time and effort required to produce an neighbourhood plan will be met by the community.</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 1st April 2019, which demonstrates a 5 year supply of 5.59 years. The current position provides protection for neighbourhood planning policies following the National Planning Policy framework's 11 December 2018 cut-off for NPs 'made' two years or more before this date where a Local Authority cannot demonstrate a five year housing land supply.</p> <p>Going forward: The council's project plan for neighbourhood planning sets a target of supporting 10 neighbourhood planning groups to adopt their neighbourhood plans by the end of February 2020. However, as Barcombe Parish Council have ceased neighbourhood planning activity and the other neighbourhood plans are progressing at a slower rate than anticipated due to their complexity, it is proposed that the end date for the project is extended to December 2021, thereby entering "Phase 2" of the neighbourhood planning project.</p> |
| 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                              |  | During Q3 the council was awaiting the inspectors report. This has now been received and Report is available on the council's website. It will be going to full council in February.  |






## Key Performance Indicators

| KPI   | Annual Target | Preceding year: Q3 2018/19 Out-turn       | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3  | Status  | Notes   |
|---|---------------|---|--|------------------------------|---|---|---|
| Increase the percentage of major applications determined within 13 weeks- LDC   | At least 60%  | 66.67%                                    | 100%                                   | 66.67%                       |    |    | 2 of 3 major applications processed in time. We anticipated a downward trend and mitigated for this.  |
| Increase the percentage of major applications determined within 13 weeks- SDNPA   | At least 60%  | Not reported to Scrutiny/ Cabinet         | 0 cases                                | 0 cases                      |    |    | 0 cases this period.  |
| Increase the percentage of minor applications determined within 8 weeks- LDC  | At least 70%  | Previously reported LDC/SDNPA jointly 75% | 88.33%                                 | 81.42%                       |    |    | Performance is above the national PI.   |
| Increase the percentage of minor applications determined within 8 weeks- SDNPA  | At least 70%  | Previously reported LDC/SDNPA jointly 75% | 79.22%                                 | 52.63%                       |  |  | This has been a difficult time for staffing due to national difficulties in recruitment, and staff sickness. We are working hard to address this shortfall in performance, have successfully recruited a new member of staff and are re-evaluating roles in the Casework and Specialist planning team to develop a SDNP team to focus on minor applications and improve performance through Q4. |
| Quality of decision making –Meet government targets for quality making with less than 10% of decisions overturned at appeal | Less than 10% | 25%                                       | 20%                                    | 27.3%                        |  |  | This is a government set target and looks to prioritise overturned appeals as an indicator of councils not following national and or local planning policy advice/guidance. LDC has a very low number of appeals overall, so in practice this is just 3 out of 11 appeals. We are pleased that we have a low overall number of appeals compared to other authorities and confident that         |

| KPI   | Annual Target                           | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3 | Status | Notes   |
|---|---|-------------------------------------|--|------------------------------|----------------------------|--------|---|
| Page 26   |   |                                     |  |                              |                            |        | <p>the measure outlined above will reduce the number of those overturned.</p> <p>LW/19/0343 - Considered that the change to the parking arrangement to the front of the dwelling would create a visually harsh environment, but there are no restrictions to prevent this being provided to the front of the dwelling with its current use, and therefore does not consider that the proposal would result in detrimental harm to the area.</p> <p>LW/18/0907 - Contemporary design would not appear incongruous within the varied street scene. Considered that the dwellings would be sympathetic to the local character and maintain a sense of place.</p> <p>LW/18/0533 - Without any harm to the character and appearance of the area, being in a sustainable location, and the small scale of the development, the proposal despite conflicting with the policies it does not seriously undermine the objectives of policy and therefore the policy conflicts do not result in any harm and the proposal can therefore be approved.</p> |
| Number of EV charging points agreed within planning applications. | Data only for yr1 to allow benchmarking | New PI                              | REPORTED ANNUALLY                      | REPORTED ANNUALLY            | REPORTED ANNUALLY          | n/a    | REPORTED ANNUALLY   |




#### 4. Recycling, Waste and Open Spaces portfolio holder & lead officer (Director for Service Delivery)

### Key Performance Indicators

| KPI   | Annual Target      | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3 | Status   | Notes   |
|---|--------------------|-------------------------------------|--|------------------------------|----------------------------|--|---|
| Page 27<br>Reduce the number of reported fly-tipping incidents                  | data only-reducing | New PI for 19/20                    | 39                                     | 27                           | ↑                          | Data only<br>   | <p>From 01 Oct to 31 Dec 2019 there were a total of 27 confirmed fly tip reports in Lewes district, compared with 58 in the same period the previous year. This is 31 fewer incidents; a like-for-like reduction of 53%. The cumulative number of reports for Q1-3 FY 19/20 stands at 114, compared to 145 in the same period of FY 18/19, this 31 fewer incidents; a like-for-like reduction of 21%.</p> <p>19 of the 27 fly tips comprised general household waste, with only 4 incidents of fly tipped construction waste, and the remainder comprising garden waste and white goods. The predominance of household waste is in contrast to the rest of the year to date, as well as to this period last year, and is due largely to a significant reduction in dumped construction waste, in addition to the overall reduction of fly tipping incidents.</p> <p>We continue to see the north of the district targeted more by fly tippers, though to a lesser extent. Newhaven has been more heavily affected by fly tipping this quarter, with six incidents all of which comprised household waste.</p> |
| Increase percentage of household waste sent for reuse, recycling and composting | At least 38%       | 38.74 (vs target of 32%)            | 41.69%                                 | 42.5%                        | ↑                          |               |   |
| KG waste collected per household  | Data only          | New PI                              | 162.22kg                               | 151 kg                       | ↓                          | Data only<br> | There has been a marginal drop in waste collected per household. Collection rates are being monitored.  |

## 5. Sustainability portfolio holder & lead officer (Deputy Chief Executive):

### Projects & Programmes

| Project / Initiative   | Description  | Target Completion or key milestone date | Status  | Update  |
|--|--|---|---|---|
| Deliver the Upper Ouse flood protection and water prevention project | <p>Programme of flood protection work across the District</p> <p>In 2019/20 we expect to reach the following milestones</p> <p><u>Ringmer Village Green:</u> Q4 Designs costed and applications submitted for funding grants.</p> <p><u>Ringmer Broyleside:</u> Q4 Investigation potential for proposed land to be allocated for housing development</p> | Q3 2022/23                              |    | <p>Meeting held with Sussex Wildlife Trust and Ouse and Adur River Trust – focus and key milestones for delivering NFM projects over the next 3 years explored and confirmed. Key aim is to both protect properties within the catchment and slow down and store water in the catchment as a whole.</p> <p>New agreement between all parties being finalised. Some of the key outcomes so far this year:</p> <ul style="list-style-type: none"> <li>• 38 leaky dams,</li> <li>• 15 landowners engaged in process,</li> <li>• 0.1ha of wader scrape created in the floodplain, and donation received from local school to plant trees as part of carbon offsetting project.</li> </ul> |
| Newhaven Flood Alleviation Scheme (Environment Agency)               | Enabling the delivery of key infrastructure projects in Newhaven.  | Q4 2019/20                              |  | <p>All works to Areas 2-5 are now completed and A26 tie-in works have been completed ahead of schedule.</p> <p>Discussions are still ongoing with Network Rail re: demountable floodgates over railway. Rail possession requests have been made for 27hour windows in June &amp; Sept 2020 and March 2021. There is also the possibility of a possession over Christmas 2020. This is because the line cannot be electrified whilst the supports for the gate are installed and cables relocated. Project remains on budget and it is likely that work will be completed on floodgate by March 2021 (subject to confirmation of rail possession requests).</p>                        |
| Climate Emergency  | Delivering a net carbon zero council   | 2030 (more specific milestones tbc)     |  | <p>New strategy lead started work in November 2019. Work started on preparing a sustainability and climate change strategy.</p> <p>Three priorities for early action agreed and £100k budget allocated for spend against these priorities.</p> <p>First meeting of Sustainability Panel held resulting in very helpful feedback and insights from community</p>   |



| Project / Initiative | Description | Target Completion or key milestone date | Status | Update  |
|----------------------|-------------|---|--------|---|
|                      |             |   |        | <p>partners.</p> <p>A Climate emergency motion was passed in July 2019. Since then, the following has occurred:</p> <ul style="list-style-type: none"> <li>- Recruitment and appointment to a new post covering this work</li> <li>- All committee papers now include a sustainability implications statement</li> <li>- Action plan written which includes funding proposals</li> </ul> <p>Further detail is contained in the Cabinet progress update report elsewhere in this agenda.</p> |

## Key Performance Indicators

| Page 29<br>51  | Annual Target  | Preceding year:<br>Q3 2018/19<br><br>Out-turn | Preceding quarter: Q2<br>2019/20<br><br>Out-turn | Current:<br>Q3 2019/20<br><br>Out-turn | Performance trend<br><br>Q2 to Q3 | Status | Notes  |
|--|--|---|--|--|-----------------------------------|--------|--|
|  | Reduce number of times nitrogen dioxide levels exceed national air quality objectives (200 µg/m3 hourly mean ave.) | 18 (annual max)                               | Not reported to Scrutiny or Cabinet              | 0                                      | 0                                 |        |  |
| Reduce sites exceeding recommended national air quality nitrogen dioxide levels (40 µg/m3 quarterly mean)      | Data only  | Not reported to Scrutiny or Cabinet           | TBC- confirmed annually                          | TBC- confirmed annually                | TBC- confirmed annually           |        |  |
| Reduce number of times particulate matter levels exceed national air quality objectives (50 µg/m3 24 hour ave) | 35 (annual max)  | Not reported to Scrutiny or Cabinet           | 1  | 1                                      |                                   |        | There has been only 1 occasion when the number of times 24-hour mean 50 µg/m3 exceeded. The target is 35 times a year. |





## 6. Housing portfolio holder & lead officer (Director of Service Delivery)



### Projects & Programmes

| Project / Initiative                                      | Description   | Target Completion or key milestone date | Status  | Update  |
|---|---|---|---|---|
| Affordable homes  | Delivery of 30 affordable homes as per set out in the Local Plan  | Q4 2019/20                              |  | This is an ongoing programme of work which is being discussed.            |
| Compliance of regulatory and health & safety requirements | Adherence to yearly schedule of compliance checks and timely completion of necessary work relating to council's regulatory and legislative health and safety requirements | Q4 2019/20                              |  | Programme of checks carried out to plan. No issues of concern identified. |

Page 30

### Key Performance Indicators

| KPI  | Annual Target     | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3  | Status  | Notes  |
|--|-------------------|-------------------------------------|--|------------------------------|---|---|--|
| Increase net additional homes provided (reported annually only not quarterly)                            | 245               | REPORTED ANNUALLY                   | REPORTED ANNUALLY                      | REPORTED ANNUALLY            | REPORTED ANNUALLY   |   |  |
| Decrease the time taken from the receipt of a fully complete DFG application to the grant being approved | Less than 28 days | 10 days                             | 7 days                                 | 8 days                       |  |            |  |
| Decrease total number of households living in emergency (nightly paid) accommodation                     | Data only         | 34                                  | 49                                     | 35                           |  | Data only  | At the end of Q3 there were 35 households in emergency accommodation in Lewes District. This is down from 49 at the end of Q2, a reduction of 28.5%. |





| KPI                                  | Annual Target | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3  | Status  | Notes   |
|--------------------------------------|---------------|-------------------------------------|--|------------------------------|---|---|---|
|                                      |               |                                     |  |                              |   |   | <p>Despite this, demand for housing and homelessness services remained high during this quarter.</p> <p>Between 1 October and 31 December 94 households presented to Lewes District Council in need of housing support. 62 of these households were at risk of homelessness and 32 were homeless on the day.</p> <p>Out of these 32 households, 24 were provided with immediate housing solutions and 8 households were placed into emergency accommodation by our Housing Solutions team.</p> <p>Our Temporary Accommodation and Commercial Lettings team have moved 27 out of emergency accommodation in this quarter.</p> <p>Work continues in the new year to reduce the overall number of households in EA. This includes reviewing our re-alignment of work streams, initially carried out in July 19, and reviewing our homelessness strategy.</p> |
| Increase overall tenant satisfaction | Data only     | 84.7%                               | 88%                                    | 83%                          |  |  | <p>There was a 10% reduction in overall response rate for this quarter (probably due to Xmas) which impacts the figures - but we will review at year end.</p>   |


| KPI  | Annual Target | Preceding year: Q3 2018/19 Out-turn     | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3 | Status | Notes   |
|--|---------------|---|--|------------------------------|----------------------------|--------|---|
| Decrease rent arrears of current tenants (as a percentage of all rent)             | Less than 3%  | Reported as % of rent collected: 96.06% | 5.19%                                  | 5.72%                        | ↓                          | 🔴      | <p>An improvement plan has recently been introduced to focus on greater caseworker ownership of their individual rent arrears caseload, with an emphasis on reaching a monetary team collection target by the 31<sup>st</sup> March 2020. The expectation is that team performance will continue to further improve over the coming months.</p> <p>80% of Universal credit claimants who are council tenants are in arrears. Although they, like other tenants, have payment plans to assist them, we have added eight further direct debit dates to align our rent payment system with the UC payment dates. Advice is being given on non-priority debts and we have additional resource for staff to carry out homes visits and work directly with the tenants who require additional support. We hope these measures will help to reduce the level of arrears over the following quarters.</p> |
| Decrease average number of days to re-let Council homes (excluding temporary lets) | Less than 23  | 26 days                                 | 22 days                                | 17 days                      | ↑                          | 🟢      | The overall figure for this quarter is within target, which is a significant improvement in comparison to last year. We continue to monitor void and lettings during weekly meetings and this will continue in order to closely manage performance going forward  |
| Number of housing lets per quarter   | Data only     | NEW PI                                  | 37                                     | 41                           | ↑                          | 📊      |   |



## 7. Community and Customers portfolio holder & lead officer (Director for service delivery)









### Key Performance Indicators

| KPI  | Annual Target                          | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3  | Status  | Notes  |
|--|--|-------------------------------------|--|------------------------------|---|---|--|
| Increase percentage of calls to the contact centre answered within 60 seconds (NB - quality of response to be reported in commentary ) | At least 80% during normal call demand | 51.63%                              | 88.9%                                  | 77.56%                       |    |    | <p>The Customer Advisors continue to work hard on trying to maintain the improved stats from Q2 where we hit and exceeded the SLA of 80% of all calls answered within 60seconds for October but then dipped below for November and December where Quarter 3 as a whole was 77.56%.</p> <p>Although we were just shy of hitting out SLA for Q3 this was largely down to the snap General Election which put a lot of additional pressure on the call.</p> <p>We are hopeful that as we enter the new calendar year and Quarter 4, our stats will improve greatly without the pressure of the Election and our remaining new staff finishing their training.</p> |
| Average number of days to process new claims for housing/council tax reduction   | No more than 22 days                   | 36.7 days                           | 23.1 days                              | 22 days                      |  |  | <p>The quarter's performance is on target for the first time since Q4 of 2017/18.</p> <p>This increase in performance is due to a number of factors:</p> <ul style="list-style-type: none"> <li>-A clear focus from staff on dealing with a new claim within 24 hours of receipt by either assessing the claim if possible or, if not possible, writing out immediately for any further information that is required.</li> <li>-Close management of work coming into the section by the team leaders,</li> </ul>   |

| KPI   | Annual Target       | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3 | Status  | Notes  |
|---|---------------------|-------------------------------------|--|------------------------------|----------------------------|---|--|
|   |                     |                                     |  |                              |                            |   | <ul style="list-style-type: none"> <li>-Ensuring new claims do not get overlooked and follow up action is taken in a timely manner</li> <li>- Additional training provided to caseworkers</li> <li>- Additional support provided to caseworkers through the Specialists' Buddy' system</li> <li>-Caseworkers becoming more experienced.</li> </ul> |
| Average number of days to process new claims for change of circumstances<br>2019/20<br>34 | No more than 8 days | 13.1 days                           | 14 days                                | 13.5 days                    | ↑                          |  | The last three months, October to December, have seen an ongoing improvement from 17 days to 13 days to 8 days. This has been as a result of measures as outlined above. The amount of work waiting to be processed has also shown a significant decrease from previous months.  |

## 8. Tourism and Devolution

### Projects & Programmes

| Project / Initiative                            | Description  | Target Completion or key milestone date | Status   | Update  |
|---|--|---|--|---|
| <p>Page 35</p> <p>Devolution of Open Spaces</p> | <p>Work with new grounds maintenance contractor, Town and Parish Councils and local volunteers to maintain high quality public parks and community spaces.</p> | <p>Q3 2019/20</p>                       | <p></p> | <p><b>Devolution sites to Newhaven Town Council:</b></p> <ul style="list-style-type: none"> <li> <u>Eastside Rec</u>-Completed in August 2019</li> <li> <u>Lewes Road Rec</u> – awaiting approval from NTC to amended boundary.</li> <li> <u>Riverside Country Park</u>: ESCC have prepared draft heads of terms for land within their ownership and it is planned that the LDC arrangements mirror those terms. ESCC to discuss with NTC prior to LDC finalising.</li> </ul> <p>Ongoing</p> <ul style="list-style-type: none"> <li> <u>Drove Park Recreation Ground</u>: There is an outstanding issue regarding access over the Industrial Estate. Completion date asap</li> <li> <u>Avis Road recreation ground</u>: There is an outstanding issue regarding an access licence that is being dealt with. Completion date asap but dependant on resolution of third party issues.</li> </ul> <p>Next wave</p> <ul style="list-style-type: none"> <li> <u>Castle Hill nature reserve &amp; Meeching Down</u>: Due to wider Council plans, NTC has been informed that Castle Hill is to be pulled from the current phase of devolution. Meeching Down still proceeding and pending discussions with NTC on other sites that they wish to bring forward.</li> </ul> <p><b>Devolution sites to Lewes Town Council :</b></p> <ul style="list-style-type: none"> <li> <u>Mountfield Road (land not held in trust); Mountfield Road (land held in trust); Stanley Turner recreation ground (land held in trust)</u>: LDC has had confirmation from LTC that they wish to proceed with these sites and has approached the Charity Commission to</li> </ul> |

| Project / Initiative | Description | Target Completion or key milestone date | Status | Update  |
|----------------------|-------------|---|--------|---|
|                      |             |   |        | <p>progress matters. The Commission has confirmed that it does not need to grant a scheme and instead that the trustees can pass a resolution under section 280 of the Charities Act 2011 to appoint an alternative trustee. Officers are investigating the process that would need to be carried out to achieve change of trustees.</p> <p><b>Devolution sites Rural Areas :</b></p> <ul style="list-style-type: none"> <li> <span style="color: green;">✔</span> <u>East Chiltonton, Hollycroft Field including play space</u>: Final terms of management being agreed. Estimated completion date Jan 2020 subject to parish council agreement.         </li> </ul> |

## 9. Performance and People portfolio holder and lead officer (Assistant director of human resources) Key Performance Indicators

| KPI   | Annual Target                                   | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3 | Status | Notes   |
|---|---|-------------------------------------|--|------------------------------|----------------------------|--------|---|
| <p>Page 37</p> <p>Continued Improvement in average working days lost due to sickness per FTE equivalent staff</p> | Less than 8 days (less than 2 days per quarter) | 2.79 days                           | 2.1 days                               | 2.72                         | ↓                          | ●      | <p>Q3 saw a higher figure than Q2 although we would expect an increase during the winter months. 6 employees were off for the whole of Q3 for a variety of reasons. If we take a cumulative figure, and if we exceed 2 days in Q4, we will pass the max 8 days annual target.</p> <p>Without LDC Waste Services, the Q3 figure reduces to 2.29 days. Waste Services on its own is 5.46 days, which is an increase from Q2 for Waste Services. HR business partners continue to support managers to robustly manage attendance issues. NB the average national public sector sickness absence figures for 2017/18 (currently most up to date figures published) was 8.5 days.</p> <p>There is a range of support offered to staff absent due to sickness including our employee assistance programme which supports employees with all sorts of work life issues providing support and guidance on a range of issues – 24 hours a day, 365 days a year. We also ensure that absent employees receive regular communication from their line manager, have welfare visits and that we obtain professional medical advice.</p> <p>In addition, we have increased funding for occupational health support and have trained more staff to provide 'first aid' to staff experiencing mental health issues. Mental health first aid</p> |

| KPI  | Annual Target         | Preceding year: Q3 2018/19 Out-turn | Preceding quarter: Q2 2019/20 Out-turn | Current: Q3 2019/20 Out-turn | Performance trend Q2 to Q3 | Status | Notes  |
|--|-----------------------|-------------------------------------|--|------------------------------|----------------------------|--------|--|
|  |                       |                                     |  |                              |                            |        | teaches staff to listen, reassure and respond, even in a crisis – and even potentially stop a crisis from happening. Our Mental Health First Aiders are able to empower others to access the support they might need for successful management of symptoms. This could include self-help books or websites, accessing services via their GP, the EAP, other support groups and more. |
| Increase social media responsiveness rate                | At least 80%          | New PI                              | 88%                                    | 89.67%                       | ↑                          | ✓      |  |
| Increase number of new sign-ups to social media channels | 600 (150 per quarter) | 896                                 | 225                                    | 226                          | ↑                          | ✓      |  |
| Increase number of email sign-ups                        | 500 Per quarter       | 589                                 | 696                                    | 900                          | ↑                          | ✓      |  |

|                                     |  |
|-------------------------------------|--|
| <b>Report to:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | <b>10 February 2020</b>  |
| <b>Title:</b>                       | <b>Corporate Plan 2020-24</b>  |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning</b>   |
| <b>Cabinet member:</b>              | <b>Councillor Zoe Nicholson, Leader of the Council</b>   |
| <b>Ward(s):</b>                     | <b>All</b>   |
| <b>Purpose of report:</b>           | <b>For Cabinet to consider and recommend the draft Lewes Council Corporate Plan 2020 – 24 to Full Council for adoption</b>   |
| <b>Decision type:</b>               | <b>Budget and policy framework</b>   |
| <b>Officer recommendation(s):</b>   | <b>(1) To consider the draft Corporate Plan for 2020-2024 and<br/>(2) To agree to recommend full council adopt the new corporate plan.</b>   |
| <b>Reasons for recommendations:</b> | <b>To enable the Council to set out its strategic vision, objectives and priority projects for the next four years and provide a firm basis for forward planning and performance management.</b> |
| <b>Contact Officer(s):</b>          | <b>Name: Millie McDevitt<br/>Post title: Performance and Programmes lead<br/>E-mail: Millie.Mcdevitt@lewes-Lewes.gov.uk<br/>Telephone number: 01323415637</b>                                    |

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## **1 Introduction**

- 1.1 The Corporate Plan is a key document. It sets out the council's commitments to its residents and businesses and outlines a programme of important strategic objectives and the projects that will deliver these for the district. It is important to bear in mind that the next four year's priorities are set against an uncertain and challenging financial backdrop which requires the council to make the best possible use of its resources.
- 1.2 Whilst there is not a statutory requirement to produce a Corporate Plan, it remains important to ensure the authority has a robust framework within which to monitor and assess performance and achievements.

- 1.3 Progress against outputs and projects set out in the plan will be reported to members on a quarterly basis, as part of normal performance management arrangements (through both Scrutiny and Cabinet).

## **2 Development of the Corporate Plan**

- 2.1 The draft Corporate Plan has been prepared for Cabinet Members consideration having regard to the following:

- a. The Council's existing programme of transformation projects, community initiatives and policy commitments;
- b. The needs and aspirations of the people who live and work in Lewes District
- c. The priorities expressed by the Administration during and since the elections in May 2019 ; and
- d. The financial and policy drivers likely to impact the Council in the short to medium term.

## **3. Consultation**

- 3.1 There will be a targeted stakeholder consultation period and public consultation using a range of methods.

## **4 Adoption and delivery of the Corporate Plan**

- 4.1 Following adoption by Members, the final Council Plan will be published on the Council website. Although a four year plan, it is considered a dynamic document that will develop over time and therefore will be subject to annual review and refresh, with appropriate consultation, throughout its lifespan.

- 4.2 Progress against key success measures and project deliverables contained within the document will be reported to Members on a regular basis, as part of the council's usual performance management arrangements.

## **5 Financial appraisal**

- 5.1 The financial aspects of all projects and actions within the Corporate Plan will be included within the approved budget for 2020/21 and the Medium Term Finance Strategy, or (in the case of new initiatives which may still be at an early planning stage) will be subject to future reports to, and approval by, Cabinet.

## **6 Legal implications**

- 6.1 There are no legal Implications arising from this report.

## **7 Risk management implications**

- 7.1 The risk management implications of individual decisions relating to the projects and initiatives covered in this report will be addressed as part of the planning



and delivery of those individual projects.

## **8 Equality analysis**

8.1 Equality Analyses are being undertaken in relation to the individual projects which make up the Council Plan, and therefore it has not been considered necessary to undertake an overarching analysis of the Plan as a whole.

## **9 Sustainability implications**

Sustainability implications will be considered for each individual project and is a prime consideration for all areas of the council's work as outlined in the Corporate Plan.

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# Re-imagining Lewes District

## *Corporate Plan 2020 → 2024*



# Introduction



Welcome to our plan for the next four years. This is the first plan of our Co-operative Alliance and, although it doesn't cover everything that we will be working with you on as residents, it will hopefully give you a strong sense of our priorities and focus.

Our District is a diverse, beautiful and challenging place to live and work, with strong Sussex traditions and a history of standing up for each other and what matters, whether that's the community that Bonfire societies create to the diverse and exciting community and voluntary sector, or the Sussex sense of "we won't be druv". We are also a district of extremes of wealth and inequality, and these differences in our communities, much as the national picture, have not got better they have worsened over the last ten years.

Our community is also already experiencing the impacts of climate change, through

flooding and coastal erosion. We know that we have to take action to achieve carbon zero by 2030. Communities, businesses and other partners in the District must achieve this too otherwise the impact of climate breakdown will be felt worst by those most vulnerable in our communities.

The poor state of our transport networks, the importance of affordable sustainable housing and fragility of our infrastructure are often things that residents talk to us about.

We've already had ten years of cuts to our budget. Given that the national financial picture for local government is unlikely to change, we know that working with you and our partners in our District is our top priority to deliver services right the first time. By using our council resources wisely we will support employment opportunities, build sustainable homes that people can afford to live in, that provide the foundation for good health and addressing the climate emergency.

Building our resilience as a community over the next 4 years is essential if we want to weather the storm of potentially deepening inequality, climate breakdown and the uncertainties caused by leaving the EU. Doing what we can locally with what we have seems to us be essential. As your Council leaders we set out here what you can expect of us and, how you can help us to deliver the best quality services.

## **Our focus for the next four years in partnership with you is:**

- Provide Leadership to the district on tackling climate emergency
- Creating sustainable community wealth
- Building homes that you can afford to live in.

**Zoe Nicholson, James MacCleary,  
Chris Collier, Ruth O'Keeffe**

*Cabinet Group Leaders of the Co-operative Alliance working together for you.*

# Your services: getting it right first time

## *Delivering what matters to you*

We know how important our services are to you, and getting them right matters. Our areas of focus are:

- Provide the highest quality customer service by focusing on resolving questions and problems first time.
- Meet “Our Promise To You” by solving your issues and questions by being knowledgeable and accessible by phone and online.
- Continuing to reduce our waste as well as providing excellent recycling and refuse services, improving our recycling rates to the top 25% in the UK.
- Getting our communication and engagement right through regular information sharing and consultation.
- Improving links and partnerships with Town & Parish councils and the South Downs National Park Authority.
- Making our council tax fairer and supporting those on the lowest incomes.
- Ensure an effective and transparent planning service, holding developers accountable for providing affordable housing.
- Work with partners, including Sussex Police and local businesses, to engage young people in activities that tackle anti-social behaviour.
- Improve all our public spaces – from play spaces to green spaces to our public loos.

## 4 year outcomes

- Improved quality of customer contact, outcomes and satisfaction
- Reduction in waste, increased reuse and recycling to top quartile performance
- A community that’s supported, listened to and we act on what we hear
- Fairer council tax for those on lowest incomes



# Sustainability and Climate Change

## *A carbon neutral and climate-resilient council and district by 2030*

We will lead our community to carbon net zero. Tackling climate change is central to all our activities. We will produce and implement a targeted and costed Sustainability and Climate Plan with the ambition of becoming a carbon neutral and climate-resilient council by 2030.

### **Our key areas of focus will be:**

- Better understand and measure our carbon emissions as a council.
- We will use our influence to lead our District to net carbon zero by 2030.
- Engage the community energy sector and others in shifting to low or zero carbon electricity generation and a decarbonised district by implementing the Greater Brighton Energy Plan and other plans.
- Improve the energy efficiency of homes including supporting low-carbon heating technologies in our own council houses.
- Encourage more cycling and walking in the district by working with community cycling groups, East Sussex County Council and others to improve infrastructure and reduce barriers to cycling.
- Having the greenest Local Plan and putting sustainability at the heart of our local planning processes.
- Improve air quality, developing an air quality strategy, a local transport strategy and increasing opportunities for public transport and electric vehicle charging infrastructure.
- Increase biodiversity, wildflower and pollinator opportunities through cutting pesticide use on council land and have an ambitious programme of tree planting.
- Influence and creating the conditions for a reduction in emissions from agriculture and food production.
- Reduce waste and emissions that arise from dealing with waste.
- Prioritise efforts to address flooding and coastal erosion as well as water availability due to the impact of climate change.
- Build and encourage affordable, energy efficient, climate resilient and adaptable locally sourced and provided housing.



## **4 year outcomes**

- **On a clear path to being a carbon zero council and district by 2030**
- **Helping our tenants with their energy bills by decarbonising our council housing stock**
- **Well managed and protected local environment including waterways and coastal areas**
- **Cleaner air across the district**

# Building community wealth

## *A sustainable economy that enables a fairer place to live and work*

We need a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of people. We will work with key local institutions, our county council, local businesses, police, NHS partners, to provide more local employment. We will change the way we outsource services, supporting more local businesses to deliver council services, and we will bring services in house or establish social enterprises where additional social value can be demonstrated.

### **We will:**

- Prioritise investment into local economies including rural economy across our District working with partners such as the Greater Brighton Economic Board and the South East Local Enterprise Partnership in the Newhaven Enterprise Zone. Encouraging financial resources we have to be used locally as much as possible.
- Increase local employment opportunities by directly promoting recruitment from lower income areas, committing ourselves and our partners to paying the Lewes Living Wage where possible.

- Support our businesses to create new employment opportunities for local people through supporting innovation and technological advances, including in clean technology and in the creative sector.
- Use our power as public sector bodies to buy and procure locally, and create local supply chains and ecosystems of enterprises, focussing on decarbonising our housing stock, through use of circular economy principles.
- Develop local skills, local supply chains and local employment through and partnership working with the East Sussex College group, other public sector organisations, social enterprises, co-operative businesses, as well other forms of business particularly in skills development for clean, green technologies.
- Encourage stewardship of our public land and assets, through working with our public sector partners, to help create good local economies.
- Working with partners to develop market leading network services across the district, delivering high speed fibre connections to local business, and improving broadband connectivity to our rural communities.

## **4 year outcomes**

- **More of the district's money staying within the district, directly benefitting residents and local companies.**
- **A supported vibrant local voluntary sector with empowered community groups.**
- **Developing job opportunities in renewable and clean green technologies.**
- **Reduce employment inequality with no wards appearing in the lowest 20 in Sussex.**



# Affordable Housing

*Build warmer, better homes that people can afford to live in*

The home in which we live has a huge influence on the quality of all our lives and health. Access to safe, secure and affordable housing really is fundamental to supporting wellbeing and creating sustainable communities where people can live and work.

Our vision is to deliver and maintain affordable, high quality homes in partnership with TOLD (Tenants of Lewes District), including council housing. We will promote access to housing for home owners, residents of social housing and private renters. By working with partners, including community land trusts, to identify housing needs, deliver new homes and stabilise local housing markets, we will help sustain our communities and tackle the inequalities faced by many of our residents, including those at risk of homelessness.

## **We will:**

- Support the provision of social, affordable, sustainable, energy and resource efficient, climate resilient housing delivering for our tenants and residents more effectively.
- Build more rented council homes in the district, including in our villages and homes which support independent living.
- Use our planning system to support affordable, housing delivery.
- Increase housing in the district through innovation including modular housing and developing infill sites.
- Reduce the reliance on temporary and emergency accommodation.

## **4 year outcomes**

- **300 new affordable homes using national definitions, moving towards truly affordable.**
- **200 new council houses.**
- **More sustainable and energy efficient homes across the district.**
- **Opening up access to quality housing options for low and middle income residents**
- **Accessible housing for those with physical and additional support needs**



# Be open and transparent

*Be an open and transparent council that works for you*

Throughout our work we will act responsibly and transparently. This means reporting how our services are performing; making our financial information available and ensuring that we embed responsible sustainable practices throughout.

**We will:**

- 1 Respect and follow principles of open governance** – Explore future governance arrangements that enable transparent, proportional and open decision-making.
- 2 Respect and promote principles of equality** – Ensure that this is clear throughout all our work.
- 3 Respect our communities** – Engage meaningfully with residents and foster closer relations.

**4 Respect and follow principles of open data** – Review our approach to open data including making finance information more accessible

**5 Respect and follow principles of a responsible employer** – Ensure staff wellbeing by following work practices that protect and look after staff's physical and mental health. Champion health and safety across all service areas, continually looking for new ways to reduce risk. Have a workforce and culture that reflects the diversity of the local community and providing diversity training and recruitment and selection practice.

## 4 year outcomes

- Principles of equality, respect and fairness are evident in all areas of the council's work.
- Embed a culture of continuous improvement, where we constantly reevaluate our quality of service.
- Lewes District Council staff are serving the community's needs and are well supported.



# Customer Service Charter

## *Our promise to you*

### **As a valued customer you can expect us to:**

#### **Be fair**

- treat you as an individual
- deliver a professional service
- be honest about what we can and can't do
- provide services that do not unfairly discriminate against or disadvantage anyone in the community

#### **Be respectful**

- listen to you
- be courteous, polite and helpful at all times
- maintain your privacy and confidentiality
- do what we say we will do

#### **Be accessible**

- provide modern, efficient online services 24 hours a day, seven days a week
- communicate clearly
- publish clear, concise and up to date information on our website
- respond to customer enquiries sent through all channels including social media profiles
- offer reasonable adjustments to those needing help accessing our information or services

#### **Be accountable**

- give our name so you know who you are dealing with
- focus on delivering our core responsibilities
- clearly signpost how you can provide feedback on our services

#### **Be efficient**

- be knowledgeable, giving accurate information
- provide online channels that enable you to access our services at your convenience
- communicate with you electronically, wherever appropriate, but offering other methods if needed
- make the best use of council resources to ensure we are providing value for money

#### **Learn**

- aim to get things right first time and learn from experience
- take complaints seriously and seek to resolve any issues at the earliest opportunity

#### **In return, we ask that you:**

- treat our staff with respect
- give us the correct information at the right time
- tell us when something changes
- share your views with us on council matters that are important to you
- tell us about anything we can do to overcome barriers to accessing our services

# Agenda Item 10

|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>Voluntary Sector Support</b>   |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning</b>  |
| <b>Cabinet member:</b>              | <b>Councillor Johnny Denis, Cabinet Member for Communities and Customers</b>  |
| <b>Ward(s):</b>                     | <b>All</b>  |
| <b>Purpose of report:</b>           | <b>To provide Cabinet with an overview of how funding provided by the Council in 2019/20 has been spent by funded organisations, to initiate a policy review, and to seek Cabinet's agreement to confirm the planned grant allocation for 2020/21.</b>  |
| <b>Decision type:</b>               | <b>Key</b>  |
| <b>Officer recommendation(s):</b>   | <b>That Cabinet:</b><br><b>(1) Confirm the planned allocation of funding to voluntary organisations for 2020/21, as set out in paragraph 3.19.</b><br><b>(2) Undertake a fundamental review of the Council's grant policy in line with the new corporate plan, with recommendations for potential options being reported to a future meeting of the Cabinet.</b><br><b>(3) Agree that any alteration to the grants policy will not impact on current 3 year funding plan, so as to minimise impacts on planned activities by Council's funded partners.</b> |
| <b>Reasons for recommendations:</b> | <b>(1) To allow continuation of funds to key voluntary organisations to enable the programmed delivery of services in the district.</b><br><b>(2) To enable Members to consider whether they wish any changes to be made in the way that grants are allocated in the future.</b>  |

**Contact Officer(s):**      **Name: Seanne Sweeney**  
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## **1 Introduction**

- 1.1 The council makes funding available to voluntary organisations each year in line with its Voluntary Sector Grants Policy (appendix 1). The council recognises and highly values the significant contributions that the community and voluntary sector play in delivering services to our residents. Partnership working is a key priority for Lewes District, and the council is committed to funding and supporting voluntary and community organisations across Lewes District. This provides a cost effective way of delivering some aspects of the council's objectives.
- 1.2 The grants proposed at paragraph 3.19 are a continuation of those agreed by Cabinet in 2019. These were awarded as part of a three year grant agreement (running from 2019/ 20 to 2021/ 22), subject to compliance with the terms of the agreement and satisfactory delivery of the services.
- 1.3 All voluntary organisation grants are subject to individual grant agreements that cover the specific services funded and specify the outcomes to be delivered. These provide a mechanism for the council to monitor the organisations' performance and delivery through written reporting and review meetings. The agreements specify the amount of funding, what activities the grant can be used for, minimum legal and service requirements, monitoring and evaluation processes. All grant agreements contain clauses enabling review, termination and/or renegotiation of terms, should the need for the service change or to address any performance issues encountered.

## **2 Proposal**

- 2.1 Cabinet is asked to agree the funding recommendations outlined in paragraph 3.19. As noted above, 2020/21 marks the second year of the three year grant cycle, and will sustain the positive relationships the Council enjoys with its grant recipients who will continue to provide these important services.
- 2.2 Cabinet members have expressed a wish to revisit the process by which the Council awards grants. At its meeting in February 2019, Cabinet agreed in principle to fund a three year programme of grants, subject to available funds and satisfactory performance. 2020/21 marks the second of the three years, in which case any review and change to current policy would need to be agreed ahead of the third year, so as not to delay the grants process. If Cabinet wishes

such a review to be undertaken, a report on this subject will be prepared for a future meeting.

### **3 Outcome expected and performance management**

3.1 Monitoring data is provided by funded organisations on a quarterly basis, and received within a month after the quarter is completed. All figures below are for the year to date, at the point of writing this report.

#### **Lewes District Citizens Advice Bureau**

3.2 The Lewes District Citizens' Advice Bureau (CAB) helps people resolve their legal, financial and other problems by providing free, independent and confidential advice. The CAB has reported that the types of issues being presented by clients are becoming more complex. Figures to date show that 1,910 residents used the service with at least 20% being council tenants. Of these, the largest proportion of enquiries related to welfare benefits including Universal Credit.

3.3 Over half of clients are recorded as having a disability and/ or long term health condition. 525 clients have been supported with issues relating to Personal Independence Payments to date.

3.4 The service also reported that many people seeking debt advice are living with a 'negative balance sheet'. This means that despite support to budget and manage finances, their essential outgoings are not covered by income.

#### **3VA**

3.5 3VA provides support for voluntary and community organisations across the Eastbourne, Lewes District and Wealden areas of East Sussex. They provide a range of practical support to charities and community groups including start-up support, funding advice, help with governance and training. Their services help to inform, sustain and develop the voluntary and community sector in the area.

3.6 This year so far, 3VA has provided information, advice, guidance and extended support to 42 groups based in the district including Lewes Open Door and Lewes District Dementia Action Alliance. 3VA continue to publish a weekly e-news to subscribers which updates on current funding opportunities, consultations, training, events and jobs within the sector. Ongoing work includes training provision and the development and support of networks, as they continue to organise and facilitate quarterly Community Network meetings in the Lewes & Havens and Seaford localities.

- 3.7 Following the council's commitment to address the climate emergency, 3VA has been asked to support organisations making bids for funding relating to sustainability projects. It is expected that work supporting such groups will continue to form an important part of 3VA's work in the coming year.
- 3.8 As part of their monitoring reports, 3VA highlight current trends and needs. There has been a focus on reducing social isolation, addressing hate crime and supporting people to manage their health independently.

### **Action in Rural Sussex (AiRS)**

- 3.9 AiRS is the Rural Community Council for Sussex. The organisation's purpose is to provide practical help and support to rural communities across both East and West Sussex, enabling them to be vibrant living and working places. The funding provided by the council is specifically to support the organisation's work with the village halls and community buildings within Lewes district.
- 3.10 The council awards a grant of £3,500 each year and receives a mid-year and annual monitoring report. Currently AiRS provides information and support to seven subscriber groups managing village halls in Barcombe, Cooksbridge, Ditchling, Kingston, Newick, Ringmer and Wivelsfield, all of whom can expect to receive 12 monthly newsletters across the year. AiRS will be repeating the county conference for village halls and community buildings, the last of which included workshops and talks around Managing Risk, Quality Assurance and Overcoming Loneliness & Social Isolation, plus training on Portable Appliance Testing (PAT) which took place in February this year. They continue to act as secretariat for the Sussex Community Buildings Advisory Group which meets three times a year, and will be facilitating local participation in the National Village Halls Survey and Village Halls Week in January 2020.

### **Sompriti**

- 3.11 Sompriti aims to 'build strength through diversity' by supporting Black, Asian and Minority Ethnic (BAME) individuals and communities across the Lewes District. They focus on community development through engagement and events, and are able to provide some individual support through, for example, bi-lingual advocacy and increased employability.
- 3.12 To date, Sompriti has supported 20 individual BAME residents in the Lewes district to access a range of employability, advice, health and wellbeing, and social activities including the International Food Fair and translator training. They continued with the project to increase voter registration within BAME communities, encouraging individuals to take part in the democratic process. Additionally there has been community development support with the Syrian Refugee Resettlement Programme, a Gypsy Traveller Women's Group, and the

Budget Bites cookery course from which a book of recipes was produced.

- 3.13 The remaining quarter will see Sompriti continue with the 'Grub Club', its information and advice service through the Community Hub in Newhaven and a World Music event within the district.

### **Lewes District Churches Homelink**

- 3.14 Homelink provides housing deposits and rent in advance to homeless households and those at risk of homelessness referred by the council's housing needs officers. LDC's grant is supplemented by a grant of £13,200 from East Sussex County Council to administer the Discretionary East Sussex Support Scheme (DESSS) fund for the district. The service is a key part of the council's work to prevent and relieve homelessness; officers routinely refer those households who are not covered by the council's own statutory duties for rehousing, such as those who do not have a priority need for rehousing under the terms of the Housing Act 1996. Under the terms of the grant agreement, this funding may only be used for essential costs, such as rent deposits.
- 3.15 Homelink has provided this service to 44 households so far this year, equating to £67,816. In addition to the funding provided by the council, loans are financed by repayments of existing and previous loans, and from the organisations own fundraising.

### **Funding to meet the needs of Universal Credit claimants – update**

- 3.16 At its meeting in February 2019, Cabinet agreed to allocate a second year's fund of £30,000 to allow Brighton Housing Trust (BHT) to continue with the work started the previous year. This service will continue until 31 August 2020 (as the project has not run concurrently with the financial year).
- 3.17 Given the slow start to the Universal Credit roll-out and the number of people seeking support specifically for help with this, BHT has worked with council officers to seek out those with wider needs, including tenants at risk of losing their homes because of rent arrears, which overall is 10 to date.
- 3.18 BHT report that they received 26 referrals in September 2019 compared to just 2 referrals in September the previous year. 70 direct referrals to the service were made by the council and there were also 27 self-referrals. BHT estimate that through their involvement an additional £371,373 UC has been secured for their clients through the year.

### 3.19 Proposed Grant Allocations for April 2020 to March 2021

| Organisation                             | 2019/ 20 grant (£)   | 2020/ 21 proposed (£)  |
|--|--|--|
| Lewes District Citizens Advice           | Core Grant 140,340<br>(HRA benefits advice)<br>17,500<br>(HRA money advice)<br><u>17,500</u><br><u>175,340</u> | Core Grant 140,340<br>(HRA benefits advice)<br>17,500<br>(HRA money advice)<br><u>17,500</u><br><u>175,340</u> |
| 3VA                                      | 28,000   | 28,000   |
| Action in Rural Sussex                   | 3,500  | 3,500  |
| SCDA – Sompriti                          | 10,000   | 10,000   |
| Lewes District Churches<br>Homelink      | 11,800   | 11,800   |
| BHT Advice – Universal<br>Credit service | 30,000   | 15,000   |

## 4 Consultation

- 4.1 This report is due for consideration by the Scrutiny Committee on 6 February 2020, and their views will be reported as a verbal update to Cabinet on 10 February.

## 5 Corporate plan and council policies

- 5.1 The proposed allocations comply with the council's Voluntary Sector Grants Policy and will contribute to the Corporate Plan strategic outcomes for resilient, healthy and engaged communities underpinning our work with our voluntary sector partners delivering key advice and support services.

## 6 Business case and alternative option(s) considered

- 6.1 Grant aid to voluntary and community organisations enables the council to meet the needs of residents whilst maximising the contributions of voluntary activity. This approach provides excellent value for money and reduces the demand on the council's own services and resources.
- 6.2 Regular monitoring and reviews are carried out to ensure best use is made of council funds, and that only those organisations which provide high quality services and value for money are awarded funding.



## **7 Financial appraisal**

- 7.1 In line with the three year grant agreement previously approved by Cabinet, the 2020/21 budget includes funding for the Voluntary Sector Grant proposals set out in 3.19 above.

## **8 Legal implications**

- 8.1 Under section 137 of the Local Government Act 1972 and section 1 of the Localism Act 2011, the Council has power to make community grants to the voluntary sector.
- 8.2 Consideration must be given to the rules on state aid, which is support in any form (financial or in kind) from any level of government – central, regional or local – which gives a business or another entity a benefit in the single European market that could not be obtained during the normal course of business.

The legal position on state aid, in the context of grants to voluntary sector bodies, is set out in the policy document appended to this report.

Subject to the European Union (Withdrawal Agreement) Bill being enacted, the UK is scheduled to leave the EU on 31 January 2020, followed by a transition period lasting until 31 December 2020, although the joint EU-UK Committee may, before 1 July 2020, adopt a single, one-off decision to extend the transition period by up to one or two years.

During transition, the State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. After transition, it is anticipated that EU State Aid rules will transpose into UK domestic legislation, with only technical modifications to correct deficiencies with the transposed EU law, to ensure the regime continues to operate effectively in a domestic context.

*Lawyer consulted 07.01.20*

*Legal ref: 008859-LDC-OD*

## **9 Risk management implications**

- 9.1 If Cabinet does not allocate the funding it has budgeted for grants there are risks both to the council's reputation in relation to this high profile activity and to the council's own services which could experience increased demand from customers who would normally use those services provided by voluntary organisations.
- 9.2 Reviewing the council's policies and performance on a regular basis provides an assurance that the council is fulfilling its functions in a way that complies with current legislation.

## **10 Equality analysis**

10.1 An Equality & Fairness analysis has been completed and is available from the report author. It surmised that although current policy seeks to support protected groups who may face barriers to services or community facilities, the conclusion of the Universal Credit advice funding to BHT, as described in paragraph 3.16, may disproportionately impact those facing financial hardship. This may, however, be mitigated by officers signposting residents in need of support around UC to Lewes District Citizens Advice, although this is capacity dependant.

In addition the analysis acknowledged that the recommendations in this report seek to:

- Advance equality of opportunity between people who share a characteristic and those who do not share it;
- Foster good relations between people who share a characteristic and those who do not share it.

## **11 Environmental sustainability implications**

11.1 The recommendations in this report will not impact on sustainability.

## **12 Appendices**

- Appendix 1 – Voluntary Sector Grants Policy

## **13 Background papers**

None

## Appendix 1

### Lewes District Council Community Grants Policy

#### Introduction

The Council recognises and highly values the significant contributions that the community and voluntary sector play in delivering services to our residents. Partnership working is a key priority for Lewes District, and the Council is committed to working with voluntary and community organisations through the giving of community grants. This helps support a thriving voluntary sector in Lewes District. In addition, the giving of funding to such groups can also provide a cost effective way of delivering the Council's objectives.

#### Legal Framework

Section 137 of the Local Government Act 1972 applies to expenditure incurred or contributions made to charitable organisations or to not-for-profit organisations providing a public service. It states that a local authority may incur expenditure which in their opinion is *'in the interests of, and will bring direct benefit to, their area or any part of it or all or some of its inhabitants'*.

Section 1(4)(c) of the Localism Act 2011 permits a local authority to do anything that individuals generally may do, in any way whatever, including power to do it for, or otherwise than for, *'the benefit of the authority, its area or persons resident or present in its area.'*

#### Policy

- 1) The Council's policy is to offer grant funding to a small number of organisations which provide essential services to our residents, particularly those experiencing hardship or disadvantage, or which play a key role providing infrastructure services to enable and support a thriving community and voluntary sector in the District.
- 2) The Council only offers grants to organisations which are well embedded in the Lewes District and are able to deliver services which build on strong links with local communities.
- 3) Organisations funded must be fully inclusive, and in a position to deliver services across the whole geographical area.
- 4) Grants will only be given to organisations which have a need for grant funding; which have sound governance arrangements and financial management; which can demonstrate good value for money and a significant use of volunteers in the delivery of their services; and which have clear policies on safeguarding where appropriate and on equality and inclusion covering service users, volunteers and staff and encompassing, as a minimum, all those groups protected under the Equality Act 2010.
- 5) Given current constraints on all Council budgets, the Council will not make any allowance for inflation.

## **State Aid**

### 1) Background:

- a) Article 107(1) of the Treaty on the Functioning of the European Union provides that:

*"Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market"*

- b) Grants awarded from public funds may constitute 'state aid' and, where the grant is to be used to support 'economic activity', are subject to rules under (1) EU Regulation 1407/2013 governing De Minimis aid and (2) EU Regulation 800/2008 – The General Block Exemption Regulation (GBER).
- c) Unless the de minimis rule or GBER applies, it is likely that state aid will be unlawful until it has been notified and, in the case where European Commission approval is required, approved - even if the aid is in fact compatible.

### 2) Mitigation:

- a) Prior to making any grant payment, the council will carry out a simple assessment to check whether it is:
- state aid and;
  - if so, whether it is exempt from prior notification under the de minimis provisions or a block exemption. If not, the grant may require notification to the European Commission.
- b) Council officers will, in consultation with Legal Services where appropriate, complete the State Aid Checklist (based on the 4 characteristics of State aid) below and will require recipients to sign the De Minimis Declaration (also below) confirming that the grant will not breach the relevant de minimis threshold.

## **Data Protection**

- 1) The making of community grants may involve the transfer, receipt or sharing of personal data to, from or between the Council and the grantee. Where this occurs, the parties will consider entering into a data sharing agreement setting out the nature and scope of any personal data processing, and how both parties will ensure that processing is carried out in accordance with the General Data Protection Regulation (EU 2016/679) and the Data Protection Act 2018.
- 2) Any such data sharing agreement may be incorporated within the grant funding agreement or prepared as a discrete document, as appropriate.
- 3) Data sharing agreements must be prepared in consultation with the Council's Information Governance Manager or Data Protection Officer.

Policy agreed at Cabinet February 2019

## State Aid Checklist

The four characteristics of State aid:

- 1) State aid is granted through state resources.
- 2) State aid favours certain undertakings, or the production of certain goods.
- 3) State aid distorts competition (or threatens to do so).
- 4) State aid affects trade between member states

## State Aid – De Minimis Declaration

*Please refer to the State Aid Guidance issued with your application pack (available on-line at [State aid - GOV.UK](http://Stateaid-GOV.UK)).*

I declare that the grant offered by the Council will comply with the law on State Aid on the basis that, including this grant, ..... (*name of organisation*) shall not receive more than €200,000 in total of de minimis aid within the current financial year or the two previous financial years.

Signed .....Date .....  
(*to be signed by an authorised officer*)

Position in organisation.....

Company/Organisation (*full Legal Name*).....

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|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>Adoption ('making') of the Seaford Neighbourhood Plan</b>  |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning</b>  |
| <b>Cabinet member:</b>              | <b>Councillor Emily O'Brien, Cabinet Member for Planning</b>  |
| <b>Ward(s):</b>                     | <b>All, but with particular impact on:<br/><br/>Seaford Central, Seaford West, Seaford North, Seaford East and Seaford South</b>  |
| <b>Purpose of report:</b>           | <b>To consider whether the Seaford Neighbourhood Plan should be adopted by the District Council as part of the statutory development plan if the referendum on 6<sup>th</sup> February 2020 is successful.</b>  |
| <b>Decision type:</b>               | <b>Budget and policy framework</b>  |
| <b>Officer recommendation(s):</b>   | <b>(1) To recommend to Full Council that the Seaford Neighbourhood Plan is formally adopted/'made' as part of the statutory development plan for the district, subject to a majority 'yes' vote at referendum.<br/><br/>(2) To recommend to Full Council that if the Seaford Neighbourhood Plan does not receive a majority 'yes' vote at referendum, it is not formally adopted/'made' as part of the statutory development plan for the district.</b> |
| <b>Reasons for recommendations:</b> | <b>To ensure the Seaford Neighbourhood Plan is 'made' within the timeframe set out by the Neighbourhood Planning (General) Regulations 2012 (as amended)</b>  |
| <b>Contact Officer(s):</b>          | <b>Name: Thea Davis<br/>Post title: Neighbourhood Planning Officer<br/>E-mail: <a href="mailto:thea.davis@lewes-eastbourne.gov.uk">thea.davis@lewes-eastbourne.gov.uk</a><br/>Telephone number: 01273 085773/01323 415773</b>   |

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## **1 Introduction**

- 1.1 The Localism Act 2011 introduced a right for communities to draw up neighbourhood plans. Seaford Town Council, with support and advice from the District Council, has produced a neighbourhood plan which has subsequently undergone a successful examination and is due to go to referendum on Thursday 6th February 2020. Should the Neighbourhood Plan succeed at referendum, it will become part of the development plan for the District. This

report considers whether the Seaford Neighbourhood Plan should be formally 'made' by the District Council and continue to be part of the development plan.

- 1.2 The Localism Act 2011 allows local communities to shape their areas by enabling town and parish councils to prepare neighbourhood development plans. A detailed legislative framework for undertaking neighbourhood planning is set out in the Neighbourhood Planning (General) Regulations 2012 (as amended). Neighbourhood planning has been enthusiastically taken up by the many of the towns and parishes in the district (within and outside the South Downs National Park), with 12 plans at various stages of preparation, ranging from 'made' plans to those in the earliest stage of preparation.
- 1.3 Subject to a successful examination and referendum, a neighbourhood plan becomes part of the statutory development plan and sits alongside the Local Plan prepared by the Local Planning Authority (part of Seaford lies within the South Downs National Park ). Planning applications submitted within an area covered by a neighbourhood plan forming part of the development plan must be determined in accordance with both the neighbourhood plan and the Local Plan. Regard should be had to post-examination neighbourhood plans in making planning decisions also, despite not yet having been to referendum.
- 1.4 Seaford Town Council, with support and advice from the District Council, has produced a neighbourhood plan which has subsequently undergone a successful examination and is due to go to referendum on Thursday 6<sup>th</sup> February 2020.

## **2 Proposal**

- 2.1 The Seaford Neighbourhood Plan has undergone a successful examination. The independent examiner recommended that subject to modifications, the Seaford Neighbourhood Plan should proceed to referendum. To comply with the Localism Act and provisions of the Neighbourhood Planning (General) Regulations 2012 (as amended), the local planning authority is required to 'make' a neighbourhood development plan within 8 weeks of the day following a successful referendum.
- 2.2 Part of the parish of Seaford lies within the South Downs National Park. However, the majority of the parish population is located outside the Park and so, in-line with an agreed approach that Lewes District Council and the South Downs National Park Authority have in place for such cases, Lewes District Council assumed the responsibility as the lead planning authority for the Seaford Neighbourhood Plan.
- 2.3 An application was received from Seaford Town Council to designate the entire parish as a neighbourhood area. The Seaford Neighbourhood Area corresponds with the Seaford Town Council boundary and was designated on 13<sup>th</sup> January 2016, following public consultation.
- 2.4 The Neighbourhood Plan was submitted for examination in August 2019. The independent examiner determined that the Neighbourhood Plan met the basic



conditions<sup>1</sup> (against which a Neighbourhood Plan is examined), subject to modifications, and recommended that the Plan proceeds to a referendum. This outcome was set out in the Examiner's Report received in December 2019 and published by both authorities soon after (under Regulation 18).

2.5 The Seaford Neighbourhood Plan was amended in line with the examiner's recommended modifications. The actions taken in response to the recommendations of the examiner are detailed in a Decision Statement along with the modifications recommended by the Examiner. This was published (Regulation 19) in December 2019 confirming that both authorities were satisfied that the Plan met the basic conditions and could proceed to referendum.

2.6 A referendum is due to be held in Seaford on Thursday 6<sup>th</sup> February 2020, posing the following question to eligible voters:

**“Do you want Lewes District Council and the South Downs National Park Authority to use the Neighbourhood Plan for Seaford to help it decide planning applications in the neighbourhood area?”**

2.7 In accordance with the Neighbourhood Planning (General) Regulations (as amended), following the outcome of the referendum with a majority 'yes' vote, it will be for Lewes District Council and the South Downs National Park Authority to 'make' the neighbourhood plan so that the Plan is formally 'made' and continues to be part of the development plan for Lewes District and the South Downs National Park.

2.8 For the avoidance of doubt and to make absolutely clear with respect to compliance with the Habitat Regulations (that transpose EU obligations into UK law), Lewes District Council is the competent authority in this respect and can only approve a plan or project if it is confident that there will be no likely significant adverse effects on the integrity of an EU protected site.

2.9 It is hereby confirmed unequivocally that the Seaford Neighbourhood Plan has been determined not to have a likely significant adverse effect on any EU designated habitats, either within Lewes District or beyond, either alone or in combination with other plans or projects. This statement is made in light of the conclusions of a full and detailed, robust Habitat Regulations Assessment (HRA) that has been endorsed by the statutory consultee, Natural England. It is further clarified that the HRA was substantially updated following the 'Wealden Judgement' regarding the Joint Core Strategy and responds to all the criticisms outlined in that judgement and the endorsement from Natural England follows a full update of their own internal guidance on responding to the judgement. More

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<sup>1</sup> As detailed in paragraph 8 of [Schedule 4B](#) to the Town and Country Planning Act 1990 (as amended), a draft order meets the basic conditions if: (a) it has regard to national policies and advice contained in guidance issued by the Secretary of State, it is appropriate to make the order, (b) it has special regard to the desirability of preserving any listed building or its setting or any features of special architectural or historic interest that it possesses, it is appropriate to make the order, (c) it has special regard to the desirability of preserving or enhancing the character or appearance of any conservation area, it is appropriate to make the order, (d) the making of the Plan contributes to the achievement of sustainable development, (e) the making of the Plan is in general conformity with the strategic policies contained in the development plan for the area of the authority (or any part of that area), (f) the making of the order does not breach, and is otherwise compatible with, EU obligations, and (g) prescribed conditions are met in relation to the order and prescribed matters have been complied with in connection with the proposal for the order.

information can be found on the Council's Habitat Regulations webpage at:  
[www.lewes-eastbourne.gov.uk/planning-policy/habitats-regulations](http://www.lewes-eastbourne.gov.uk/planning-policy/habitats-regulations)

### **3 Outcome expected and performance management**

- 3.1 If the Seaford Neighbourhood Plan is successful at referendum on 6<sup>th</sup> February 2020 with a majority 'yes' vote, it will form part of the development plan for Lewes District and the South Downs National Park. If it is subsequently supported at Full Council, the Plan will be formally 'made' and will continue to form part of the development plan for Lewes District.
- 3.2 Should the neighbourhood plan fail to secure a majority vote in favour of its adoption, the authorities are not obliged to 'make' it. It is a requirement of the legislation<sup>2</sup> that Neighbourhood Plans successful at referendum are 'made' (unless the Local Planning Authorities consider that it breaches or is otherwise incompatible with any EU or human rights obligations).
- 3.3 The purpose of the Neighbourhood Planning is for local communities to decide what development is undertaken in the area and where it should happen. The Seaford Neighbourhood Plan seeks to allocate housing and commercial land in the neighbourhood area as well as designated local green spaces, therefore contributes to the housing delivery for the District and provides development management equivalent to Green Belt land for the proposed green spaces. During the process of preparing the Neighbourhood Plan, the proposed sites have been through a series of public engagement events and consultation.
- 3.4 A 'made' Neighbourhood Plan can be reviewed at any time, particularly if the policies become out of date due to strategic Local Plan policies being reviewed and updated or if the Council falls below a sufficient housing land supply (rendering the development plan out of date). It is the Qualifying Body's – in this case, the Town Council's - responsibility to review its Neighbourhood Plan. There are now measures in place to allow Neighbourhood Planning groups to modify 'made' Neighbourhood Plans, where the original legislation required a whole new Plan to be prepared if it was to be updated.
- 3.5 Until the Seaford Neighbourhood Plan is successful at referendum the Local Plan policies that are specific to this designated area will continue to be used to assess development proposals in the Seaford area. However, as the Plan is now a "post-examination" Neighbourhood Plan this means regard must be also be had to its modified policies in making decisions on relevant planning applications.

### **4 Consultation**

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<sup>2</sup> Section 38A of the Planning and Compulsory Purchase Act 2004 (as amended), states:

(4) A local planning authority to whom a proposal for the making of a neighbourhood development plan has been made –

(a) must make a neighbourhood development plan to which the proposal relates if in each applicable referendum under that Schedule (as so applied) more than half of those voting have voted in favour of the plan...

(6) The authority are not to be subject to the duty under subsection (4)(a) if they consider that the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).

- 4.1 The Seaford Neighbourhood Plan has undergone three regulated public consultations under the Neighbourhood Planning (General) Regulations 2012 (as amended) . Two consultations under Regulation 14 (Reg. 14) undertaken by the Qualifying Body in 2017 and 2018 and a Regulation 16 consultation undertaken by the Local Planning Authority (Lewes District Council) in 2019.
- 4.2 The Town Council carried out the statutory consultations (Regulation 14) on the draft plan between November 2017 and January 2018 and as a result, a number of amendments were then made to the Plan in order to respond to representations received from the consultation. Another Reg. 14 consultation was carried out later, between November and December 2018 as a result of making some changes to the draft Plan well as. Some further amendments were then made to the Plan in order to respond to feedback received from this second consultation.
- 4.3 The Town Council submitted the revised plan (Regulation 15), along with other statutory submission documents, to Lewes District Council and the South Downs National Park Authority in May 2019. A further statutory consultation (Regulation 16) took place (carried out by the District Council) between May and July 2019 where comments were invited on the submission documents.
- 4.4 Following the Regulation 16 consultation period, Lewes District Council and the South Downs National Park Authority (with the approval of Seaford Town Council) appointed a suitably qualified and experienced independent examiner, Mr Nigel McGurk, to conduct the examination of the Seaford Neighbourhood Plan which took place between August and December 2019.

## **5 Business case and alternative option(s) considered**

- 5.1 Not relevant for this report

## **6 Financial appraisal**

- 6.1 Formally adopting the Seaford Neighbourhood Plan will allow the Town Council to benefit from a higher proportion of revenues arising from CIL chargeable development that takes place in the parish. This will rise from a capped 15% of levy revenue to an uncapped 25% when the Neighbourhood Plan is made. This will result in the transfer of an increased proportion of CIL levy revenue from LDC to Seaford Town Council from applications approved after the Seaford Neighbourhood Plan is 'made' to spend on infrastructure required to support the development of the area.
- 6.2 There will be a financial implication in adopting the Neighbourhood Plan in terms of the apportionment of CIL income. There will be no financial implications for the General Fund base budget.

## **7 Legal implications**

- 7.1 The legislation governing the decision to adopt a Neighbourhood Plan proposal is contained within S. 38 Planning and Compulsory Purchase Act 2004 and Part 5 of the Neighbourhood Planning (General) Regulations 2012. As well as setting

out the steps to be taken in connection with the earlier stages of the process, it also sets out what steps the local planning authority must take to publicise their decision on a proposal, and for publicising any neighbourhood development plan made by Full Council.

Legal Implications Provided (Seaford) 15.01.20 008876 -LDC-JCS

## **8 Risk management implications**

8.1 I have completed a risk assessment. The following risks will arise if the recommendations are not implemented:

- (a) If the Seaford Neighbourhood Plan is successful at referendum (gaining a majority vote in favour of its adoption), the Council will be in breach of its statutory duty under the Town and County Planning Act 1990 if it does not bring it into force (i.e. 'make' it). As the legislation concerning the recommendation is quite explicit there is no way of mitigating this risk if it is found to be in conformity with EU obligations and the Convention Rights.
- (b) If the Seaford Neighbourhood Plan fails at referendum, the Council would not be in breach of its duty not to 'make' it.

No new risks will arise if the recommendations are implemented.

## **9 Equality analysis**

9.1 Equality analysis has been submitted.

## **10 Environmental sustainability implications**

10.1 The Seaford Neighbourhood Plan is supported by a Sustainability Appraisal incorporating a Strategic Environmental Assessment, ensuring the Plan is economically, socially and environmentally sustainable, and that it meets European sustainability obligations.

## **11 Background papers**

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

- Seaford Neighbourhood Plan
- Sustainability Appraisal incorporating the Strategic Environmental Assessment
- Examiner's Report
- Summary of Representations (made at Regulation 16)
- Decision Statement (Regulation 18)

Each paper is located in the Seaford section of the Neighbourhood Planning page:

<https://www.lewes-eastbourne.gov.uk/planning-policy/neighbourhood-planning/>

|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>Adoption of the Lewes District Local Plan Part 2: Site Allocations and Development Management Policies</b>   |
| <b>Report of:</b>                   | <b>Director of Regeneration &amp; Planning</b>  |
| <b>Cabinet member:</b>              | <b>Councillor Emily O'Brien, Cabinet member for Planning</b>  |
| <b>Ward(s):</b>                     | <b>All wards in Lewes District that lie wholly or partially outside of the South Downs National Park</b>  |
| <b>Purpose of report:</b>           | <b>To seek Cabinet and Council approval to adopt the Lewes District Local Plan Part 2, incorporating the modifications set out in the Examination Inspector's report, as part of the statutory development plan for the district.</b>   |
| <b>Decision type:</b>               | <b>Budget and policy framework</b>  |
| <b>Officer recommendation(s):</b>   | <b>(1) To recommend to Council that the Lewes District Local Plan Part 2, amended to incorporate the main modifications set out in the Examination Inspector's report, is adopted as part of the statutory development plan for the district in accordance with Section 23 of the Planning &amp; Compulsory Purchase Act 2004 and Regulation 26 of the Town &amp; Country Planning (Local Planning) (England) Regulations 2012;</b><br><b>(2) To recommend to Council that the Lewes District Local Plan Part 2 is published, together with the relevant adoption statements, Policies Map, and Sustainability Appraisal in accordance with Regulations 26 and 35 of the Town and Country Planning (Local Planning)(England) Regulations 2012;</b><br><b>(3) To recommend to Council that the Director of Regeneration &amp; Planning be authorised to agree any minor editorial corrections identified prior to publication of the adopted Lewes District Local Plan Part 2.</b> |
| <b>Reasons for recommendations:</b> | <b>To ensure that the Council has an up-to-date and comprehensive statutory development plan to guide decisions on individual planning applications for development in that part of the district outside the South Downs National Park.</b>   |

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## **1 Background**

- 1.1 The Lewes District Local Plan Part 1: Joint Core Strategy (JCS) was adopted by the Council in 2016 and provides the strategic planning policy framework to guide 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 more detailed development management policies to inform planning decisions. It also covers the period to 2030 and, when adopted, will replace the majority of the 'saved' policies of the 2003 Local Plan.
- 1.3 The LPP2 was submitted to the Secretary of State for independent examination in 2018. The examination hearings took place in April 2019, following which the Council received the Inspector's proposed main modifications to the plan. These modifications were proposed in response to issues raised at the examination hearings and were considered necessary by the Inspector to make the plan 'sound'.
- 1.4 The proposed main modifications were published for consultation over a six week period in July/August 2019. This represented the final stage of formal public consultation on the LPP2, following the Issues & Options Topic Papers (2013), Consultation Draft Plan (2017) and Pre-Submission Plan (2018). A total of 55 representations were received and passed to the Inspector for his consideration.
- 1.5 We have now received the Inspector's final report on the examination. This concludes that the LPP2 is legally compliant and meets the tests of soundness defined in the National Planning Policy Framework, subject to a number of changes (the main modifications) being made.

## **2 The Inspector's Report**

- 2.1 The Inspector's report was received on 20 December 2019 and is attached as Appendix 1. This effectively concludes the examination of the LPP2. In summary, and subject to the main modifications being incorporated, the report concludes that:
  - The Council has engaged constructively and actively in the preparation of the LPP2 and has therefore met the duty to co-operate
  - All other relevant legislative requirements have been met during the preparation of the LPP2
  - The LPP2 gives effect to, and is consistent with, the strategy of the adopted JCS

- The site allocations and development management policies are positively, prepared, justified, effective and consistent with national planning policy

2.2 The Council is therefore able to formally adopt LPP2 as part of the statutory development plan for the area, provided that all the Inspector's main modifications are accepted and incorporated into the plan. The Inspector's report is not binding on the Council but it should be noted that failure to include all the recommended main modifications will mean that the LPP2 cannot be adopted.

2.3 The Inspector's main modifications are listed at Appendix 2 of this report. They are substantially the same as the proposed main modifications approved for consultation by Cabinet on 1 July 2019 (Minute 17). They essentially involve redrafting parts of individual policies or their supporting text. None of them involve the deletion of whole policies or the insertion of new ones.

### **3 The Next Steps**

3.1 Once adopted by the Council, the LPP2 will have full weight in the determination of planning applications in that part of Lewes District outside of the South Downs National Park. Its policies will replace 67 of the 'saved' policies in the 2003 Local Plan, thereby providing a robust, up-to-date and comprehensive development plan to guide planning decisions across the area.

3.2 The LPP2 will help to achieve the Council's vision and strategic objectives, as set out in the adopted JCS. Whilst it is recognised that some sections of the local community will inevitably be disappointed by the Inspector's conclusions, the adoption of the LPP2 will have substantial benefits for the district overall. This is particularly the case for those communities that have previously been vulnerable to speculative development on greenfield sites outside of the settlement planning boundaries.

3.3 A copy of the LPP2 incorporating the Inspector's main modifications is attached as Appendix 3 to this report. Adoption will take place immediately upon the resolution of the Council. Following adoption, the LPP2 will be published as soon as practically possible, together with the accompanying Policies Maps, Sustainability Appraisal and an adoption statement. All interested parties will also be notified individually. A six week period when the LPP2 could be challenged through an application to the High Court will also come into effect (as with all Local Plans).

3.4 The adoption of the LPP2 by the Council, the 'Competent Authority', will not lead to any adverse effects on the integrity of European sites; this is confirmed by the accompanying Habitats Regulations Assessment, which is supported by Natural England and found to be legally compliant through the examination in public.

### **4 Financial appraisal**

4.1 The financial implications of publishing the adopted LPP2, together with the accompanying Policies Maps, Sustainability Appraisal and an adoption statement will be minimal, primarily the costs associated with printing and postage. These costs will be met within the existing budget for adopting the

LPP2.

## **5 Legal implications**

5.1 The legal powers that govern the adoption of the Lewes District Local Plan Part 2, as amended, are set out in the body of the report. The Council must formally adopt the plan to bring it into force by way of a resolution of a full meeting of the Council pursuant to section 23(5), Planning and Compulsory Purchase Act 2004 and regulation 4(1) and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000).

5.2 Adoption of the plan by the council will trigger a six week period from its adoption, within which any person aggrieved by the plan may make an application to the High Court under section 113 of the 2004 Act on limited grounds, namely that either: (a) the document is not within the appropriate power; or (b) a procedural requirement has not been complied with.

The adoption of the plan can only be challenged therefore on the above legal grounds and not simply because certain persons disagree with the Inspector's recommendations.

Legal Implications Provided 15.01.20 008866 -LDC-JCS

## **6 Risk management implications**

6.1 The Council may not adopt an unsound local plan. Failure to accept the Inspector's main modifications would leave the Council without an up-to-date and comprehensive statutory development plan to guide development in that part of the district outside of the South Downs National Park. It would mean that the Council is unable to meet its strategic requirements for new homes, including permanent Gypsy & Traveller pitches, thereby hindering its ability to meet its 5 year housing land supply.

6.2 The lack of an up-to-date development plan would also mean continued reliance on the 'saved' policies of the 2003 Local Plan, which are likely to come under increasing challenge from applicants due to their age and lack of compliance with national planning policy. The vacuum created by the absence of allocated housing sites and up-to-date development management policies is likely to be filled by speculative development in less sustainable locations, and the unco-ordinated delivery of the infrastructure necessary to support it.

## **7 Equality analysis**

7.1 The Equality and Fairness Analysis undertaken for the Pre-Submission LPP2 has been updated and is included as a background paper to this report.

## **8 Environmental sustainability implications**

8.1 The preparation of the Local Plan Parts 1 and 2 has been informed by Sustainability Appraisal (SA), incorporating Strategic Environmental Assessment, at every stage of the process. The SA supporting the adoption



version of the LPP2 is included as a background paper to this report.

- 8.2 A district that is responsive to the challenges of climate change is one of the key elements of the overall spatial vision set out in the Local Plan Part 1. The strategic objectives which support that vision include seeking to reduce both the causes of climate change and the district's vulnerability to the impact of climate change; these objectives will be delivered through both the spatial strategy of the Local Plan and the application of its policies.
- 8.3 The Local Plan has applied a sequential, risk-based approach to the location of development growth, taking into account the current and predicted future impacts of climate change, which is reflected in the spatial strategy for the district. This strategy seeks to focus growth in the most sustainable locations, based upon accessibility and the range of services offered, in order to facilitate the fullest possible use of walking, cycling and public transport.
- 8.4 The need to reduce greenhouse emissions and provide resilience to the impacts of climate change is also addressed by the Local Plan policies covering green infrastructure, air quality, the natural and built environment, biodiversity and geodiversity, water resources, water quality, flood risk, coastal erosion, sustainable drainage, sustainable travel, renewable and low carbon energy, the sustainable use of resources, and high quality design.

## 9 Appendices

- Appendix 1 – The Inspector's Report of the examination of the LPP2
- Appendix 2 – The Schedule of Main Modifications
- Appendix 3 – LPP2 (adoption version)

## 10 Background papers

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

- Policies Map (adoption version)
- Sustainability Appraisal (January 2020)
- Equality & Fairness Analysis update (January 2020)
- LPP2 Consultation Statement Addendum (2019)
- Schedule of Main Modifications (published for consultation in 2019)
- Submission LPP2 (December 2018)
- Submission Policies Map (December 2018)
- Habitats Regulations Assessment 2018

All the background papers are available at <https://www.lewes-eastbourne.gov.uk/planning-policy/lewes-local-plan-part-2-site-allocations-and-development-management-policies/>

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## **Report to Lewes District Council**

**by Mike Fox BA (Hons), Dip TP, MRTPI**  
**an Inspector appointed by the Secretary of State**

**Date: 20 December 2019**

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Planning and Compulsory Purchase Act 2004

(as amended)

Section 20

### **Report on the Examination of the Lewes District Local Plan Part 2: Site Allocations and Development Management Policies**

The Plan was submitted for examination on 21 December 2018

The examination hearings were held between 2 April and 12 April 2019

File Ref: PINS/P1425/429/14

## Abbreviations used in this report

|                      |  |
|----------------------|--|
| AA                   | Appropriate Assessment   |
| AH                   | Affordable Housing   |
| AMR                  | Authority Monitoring Report  |
| CAJ                  | Court of Appeal Judgment   |
| CJEU                 | European Court Judgment  |
| dpa                  | dwellings per annum  |
| DTC                  | Duty to Co-operate   |
| EA                   | Environment Agency   |
| EIA                  | Environmental Impact Analysis  |
| ESCC                 | East Sussex County Council   |
| GTAA                 | Gypsy and Traveller Accommodation Assessment   |
| ha                   | Hectare (s)  |
| HRA                  | Habitats Regulations Assessment  |
| IDP                  | Infrastructure Delivery Plan   |
| IR                   | Inspector's Report   |
| km                   | kilometre  |
| LEP                  | Local Enterprise Partnership   |
| LPP1                 | Lewes District Local Plan Part 1: Joint Core Strategy 2010-2030                        |
| LPP2                 | Lewes District Local Plan Part 2: Site Allocations and Development Management Policies |
| m                    | metre  |
| MHCLG                | Ministry of Housing, Communities and Local Government                                  |
| MM                   | Main Modification  |
| NE                   | Natural England  |
| <i>The Framework</i> | National Planning Policy Framework (2012 version)                                      |
| NP                   | Neighbourhood Plan   |
| OAN                  | Objectively assessed housing need  |
| PAR                  | Port Access Road (at Newhaven)   |
| PPTS                 | Planning Policy for Traveller Sites  |
| SA                   | Sustainability Appraisal   |
| SAC                  | Special Area of Conservation   |
| SANG                 | Suitable Alternative Natural Greenspace  |
| SCG                  | Statement of Common Ground   |
| SDNP                 | South Downs National Park  |
| SEA                  | Strategic Environmental Assessment   |
| SHLAA                | Strategic Housing Land Availability Assessment   |
| sm                   | square metre   |
| SPA                  | Special Protection Area  |
| SSSI                 | Site of Special Scientific Interest  |

## Non-Technical Summary

This report concludes that the Lewes District Local Plan Part 2: Site Allocations and Development Management Policies, provides an appropriate basis for the planning of that part of the District that falls within the plan area, provided that a number of main modifications [MMs] are made to it. Lewes District Council has specifically requested that I recommend any MMs necessary to enable the Plan to be adopted.

The MMs all concern matters that were discussed at the examination hearings. Following the hearings, the Council prepared schedules of the proposed main modifications. The MMs were subject to public consultation over a six-week period. In some cases, I have amended their detailed wording and/or added consequential modifications where necessary. I have recommended their inclusion in the Plan after considering all the representations made in response to consultation on them.

The main modifications can be summarised as follows:

| <b>Summary of Main Modifications</b>  |
|---|
| Clarify references to <b>Habitats Regulation Assessment</b> in relation to the Ashdown Forest SPA/SAC.  |
| Clarify parameters of policy NH02 for residential development at <b>the Marina, Newhaven</b> , with regard to remediation of ground contamination, wastewater management and biodiversity.  |
| Clarify parameters of policy CH02 for residential development at <b>Layden Hall, East Grinstead Road</b> , with regard to pedestrian access.  |
| Clarify parameters of policy GT01 for the development of 5 net additional permanent gypsy and traveller pitches at <b>Land South of the Plough, Plumpton</b> , with regard to site levelling, sewerage connection and pedestrian access.                            |
| Clarify parameters of policy E1 for port related and employment development of <b>Land at East Quay, Newhaven Port</b> , with regard to biodiversity, landscape character, public footpaths and heritage assets.  |
| Clarify parameters of policy E2 for office, health and educational uses on <b>land adjacent to American Express Community Stadium, Village Way, Falmar</b> , with regard to the setting of the South Downs National Park, sustainable transport and ancillary uses. |
| Clarify the need to require appropriate surface water <b>drainage mitigation</b> and <b>flood risk assessments</b> in relation to several specific development allocations.   |
| Clarify the parameters of policy DM24 for the protection of <b>biodiversity and geodiversity</b> , with particular reference to SSSIs, Marine Conservation Zones and potential loss or deterioration of irreplaceable habitats.                                     |
| Include the Council's <b>housing trajectory</b> within the Plan.  |

## Introduction

1. This report contains my assessment of the Lewes District Local Plan Part 2 in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework 2012 (paragraph 182) makes it clear that in order to be

sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy.

2. The revised National Planning Policy Framework (*The Framework*) was published in July 2018 and further revised in February 2019. It includes a transitional arrangement in paragraph 214 which indicates that, for the purpose of examining this Plan, the policies in the 2012 NPPF will apply. Similarly, where the Planning Practice Guidance (PPG) has been updated to reflect the revised NPPF, the previous versions of the PPG apply for the purposes of this examination under the transitional arrangement. Therefore, unless stated otherwise, references in this report are to the 2012 NPPF and the versions of the PPG which were extant prior to the publication of the 2018 NPPF.
3. The starting point for the examination is the assumption that the local planning authority has submitted what it considers to be a sound plan. The Lewes District Local Plan Part 2: Site Allocations and Development Management Policies, submitted in December 2018, is the basis for my examination. It is the same document as was published for consultation in September 2018.

### **Main Modifications**

4. In accordance with section 20(7C) of the 2004 Act, the Council requested that I should recommend any main modifications [MMs] necessary to rectify matters that make the Plan unsound and thus incapable of being adopted. My report explains why the recommended MMs, all of which relate to matters that were discussed at the examination hearing sessions, are necessary. The MMs are referenced in bold in the report in the form **MM1**, **MM2** etc, and are set out in full in the Appendix.
5. Following the examination hearings, the Council prepared a schedule of proposed MMs and carried out sustainability appraisal of them<sup>1</sup>. The MM schedule was subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report and in this regard, I have made some amendments to the detailed wording of the main modifications and added consequential modifications where these are necessary for consistency or clarity. None of the amendments significantly alters the content of the modifications as published for consultation or undermines the participatory processes and sustainability appraisal that has been undertaken. Where necessary, I have highlighted these amendments in the report.

### **Policies Map**

6. The Council must maintain an adopted policies map which illustrates geographically the application of the policies in the adopted development plan. When submitting a local plan for examination, the Council is required to provide a submission policies map showing the changes to the Proposed Changes Map that would result from the proposals in the submitted local plan.

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<sup>1</sup> Lewes District Council: Lewes District Local Plan Part 2: Site Allocations and Development Management Policies – Proposed Main Modifications: Addendum to the Sustainability Appraisal; June 2019 [Examination Document CD088].

In this case, the only change to the submission policies map comprises a revised Plan for policy E1, entitled 'Site area as proposed to be modified'.

7. The policies map is not defined in statute as a development plan document and so I do not have the power to recommend main modifications to it. However, one of the published MMs to the Plan's policies requires further corresponding changes to be made to the policies map.
8. These further changes to the policies map were published for consultation alongside the MMs<sup>2</sup>.
9. When the Plan is adopted, in order to comply with the legislation and give effect to the Plan's policies, the Council will need to update the adopted policies map to include all the changes proposed in Examination Document CD087 and the further changes published alongside the MMs, incorporating any necessary amendments identified in this report.

### **Scope of the Plan**

10. The Lewes District Local Plan: Part 2 – Site Allocations and Development Management Policies, which I refer to as the Plan, is Part 2 of the Lewes District Local Plan. It covers the whole of the District of Lewes outside the South Downs National Park and is referred to as LPP2. The scope of the Plan is to enable the effective delivery of Part 1 of the Plan<sup>3</sup>, in particular allocations to meet the housing and employment growth requirements, whilst protecting and enhancing the quality of the environment in the District and in neighbouring areas, as set out in Part 1 (which I refer to in my report as LPP1). Anything outside its scope, such as the strategic provisions of LPP1, is therefore not a matter for this Plan to address.
11. Any challenge to the strategic provisions of LPP1 will need to be made when that document is reviewed, and not through Part 2 of the Plan (i.e. this Plan). This is also supported in my view by a Court of Appeal Judgment (CAJ)<sup>4</sup>, which states that, in preparing a development plan, the local authority must have regard to any other development plan document already in existence which covers the relevant local plan area.
12. *The Framework* does not require a development plan document which is dealing with the allocation of sites and development management policies for an amount of housing provision which has already been found sound in LPP1, to address the question of whether further housing provision will need to be made.
13. As this is a subsidiary plan, there is no requirement for me to re-examine the strategic issues which were covered in LPP1, where they were found to be sound. No successful challenges were made to LPP1, in as far as they refer directly to this Plan<sup>5</sup> within the prescribed period, and it is therefore

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<sup>2</sup> Examination Document CD087.

<sup>3</sup> Lewes District Local Plan -Part 1: Joint Core Strategy 2010-2030; adopted in May 2016 by Lewes District Council [Examination Document CD031].

<sup>4</sup> Court of Appeal Judgment (CAJ): Oxted Residential Ltd v Tandridge District Council; 29 April (Ref 2016 EWCA Civ 414).

<sup>5</sup> See paragraph 28 below.

unnecessary for me to go down the route of re-examining the strategic basis of the Plan.

## **Assessment of Duty to Co-operate**

14. Section 20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on it by section 33A in respect of the Plan's preparation.
15. The Plan is largely non-strategic in nature. Therefore, in the main, the Council is not required through its strategic policy-making duties to co-operate further with the specific Duty to Co-operate (DTC) bodies, having already done so for the strategic LPP1. Nevertheless, local planning authorities are bound by the statutory duty to co-operate, where strategic issues have arisen since the adoption of LPP1. The Council has documented these issues in its DTC evidence<sup>6</sup>, including the disaggregation of the spatial strategy for housing growth between Lewes District inside and outside the South Downs National Park (SDNP); and its addressing of the 'in combination' air quality impacts of the spatial strategy for housing growth.
16. The Council has demonstrated that it has continued to engage in cross-boundary working in relation to these strategic areas. Regarding the potential impacts on the Ashdown Forest Special Area of Conservation (SAC) and Special Protection Area (SPA), the Council has contributed to the working of the Ashdown Forest Working Group, most of the members of whom have supported the Plan, as evidenced in the Ashdown Forest Statement of Common Ground (SCG)<sup>7</sup>. Furthermore, the lone dissenting member of this group did not make any representations to the Plan at the Regulation 19 stage.
17. The Council's interim legal agreement covering mitigation arrangements for recreational impacts on the Ashdown Forest SPA is to be replaced by a legal agreement, to include at least four neighbouring local authorities and other relevant organisations. The Council has also liaised with, and reached agreement with, Natural England (NE) over facilitating mitigation for development within another local planning authority area within 7 km of the Ashdown Forest that cannot provide its own suitable alternative natural greenspace (SANG).
18. I am satisfied that where necessary, the Council has engaged constructively, actively and on an on-going basis in the preparation of the Plan and that the duty to co-operate has therefore been met.

## **Assessment of Soundness**

### **Main Issues**

19. Taking account of all the representations, the written evidence and the discussions that took place at the examination hearings, I have identified six main issues upon which the soundness of this Plan depends. This report deals with these main issues. It does not respond to every point or issue raised by

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<sup>6</sup> Council's Duty to Cooperate Statement [Examination Document CD/007].

<sup>7</sup> Ashdown Forest Statement of Common Ground [Examination Document CD/008].



representors. Nor does it refer to every policy, policy criterion or allocation in the Plan.

### **Issue 1 – Is the Plan effective in delivering Part 1 of the Plan<sup>8</sup> and national policy?**

#### *Key strategic parameters for Lewes*

20. LPP1 sets out the key strategic parameters for the District of Lewes. These include the provision of 6,900 new homes over the plan period (2010-2030), which is substantially lower than the objectively assessed housing need (OAN) of the District. The LPP1 Inspector, in his report (IR)<sup>9</sup>, acknowledges (paragraph 25) that the full OAN over the plan period will not be met. This is primarily due to the existence of multiple constraints, including the fact that the growth of most of the larger settlements is constrained by their proximity to the sea, the limited capacity of the coastal road network and the extent of areas affected by flood risks, in addition to those parts of the District covered by landscape and nature conservation designations. The recently designated South Downs National Park (SDNP) has, if anything, added to the force of these constraints.

#### *Sustainability Appraisal and Habitats Regulation Assessment*

21. The evidence, which is well documented, and which was generally supported at the examination hearing sessions, shows that both the Sustainability Appraisal (SA) and Habitats Regulation Assessment (HRA) processes have been iterative and influential from the start of the plan-making process.
22. Alternatives for the housing site allocations in the Plan were informed by three key processes, namely the Strategic Housing Land Availability Assessment (SHLAA); the sites proposed in the Draft Plan; and the submissions received following the Council's call for sites. I am satisfied that all the realistic options were subjected to assessment against the SA framework. In addition, specialist input from East Sussex County Council (ESCC) in relation to landscape, flood risk, gypsy and traveller accommodation and highways, informed the choice of allocations in the Plan. Furthermore, the alternatives were reviewed by the Environment Agency (EA), NE and Heritage England, and these reviews are set out in some detail.
23. Clearly, the scoring of sites for development is a subjective process and it is inevitable that not all parties are going to afford specific sites the same scores in relation to a wide range of criteria, including the 18 SA objectives. I am satisfied, however, that the scores given in the SA for the allocations in the Plan, and for rejecting other realistic development options are not unreasonable and are not flawed, and do not bring into question the soundness of the SA approach as employed by the Council. I consider that this overall conclusion also relates to the assessment for policy E1, for the allocation for employment uses associated with the Port of Newhaven, which came under particular scrutiny during the Examination.

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<sup>8</sup> Lewes District Local Plan -Part 1: Joint Core Strategy 2010-2030 [Examination Document CD031].

<sup>9</sup> Examination Document CD072.

24. The evidence before me shows that there are no significant adverse effects identified in either the SA or HRA in relation to wildlife/biodiversity, either within the plan area or within potential areas of impact outside the plan area, that require significant mitigation. In relation to potential impact on Ashdown Forest, which lies outside the plan area, **MMs 1 & 2** set out the necessary clarity in relation to the requirements for Appropriate Assessment (AA) relating to residential development within 7 km of the Forest.
25. These measures which are in place, also take into account the work that has been carried out through the HRA and assessments of air quality and recreational impacts, work which is largely supported by the Ashdown Forest Working Group and which has the support of NE. On this basis, it is possible to conclude that the development proposals and development management policies in the Plan will have no adverse effect on Ashdown Forest SAC and that the Plan is positively prepared and in line with national policy.
26. The Plan also takes into account the relevant aspects of the Sweetman 2 (CJEU) European Court Judgment and that it has been robustly tested both in relation to the SA and HRA.

#### *Issue 1 - Conclusion*

27. From the evidence before me, I conclude in relation to Issue 1, that, subject to the above modifications, the Plan is effective in delivering the adopted strategy of LPP1. I also conclude that it has been robustly tested both in relation to the SA and HRA.

#### **Issue 2 – Does the Plan provide the quantum, type, deliverability and distribution of housing provision, including gypsy and traveller accommodation, set out in Part 1 of the Plan to meet the needs of the Plan area over the plan period in accordance with national policy?**

##### *Quantum of housing provision and deliverability*

28. Part 1 of the Lewes District Local Plan (LPP1) makes provision for a total of 6,926 new homes within the period 2010 to 2030. The SDNP was designated in April 2011, as England's newest National Park. Following a legal challenge in March 2017, spatial policies 1 and 2 of the LPP1, which covered the overall provision of housing and employment land, and the distribution of housing, were quashed in so far as they related to the SDNP<sup>10</sup>. However, the judgment stated that the housing requirement and distribution could effectively be disaggregated between those areas falling within the SDNP and the remainder of the area, i.e. this Plan. The disaggregation between the two local planning authorities is agreed in a Statement of Common Ground (SCG) signed by the SDNP Authority and the Council.<sup>11</sup>
29. The disaggregation between this Plan and the area of Lewes District within the SDNP results in the 6,926 new homes provided for in LPP1 being divided into 1,432 new homes to be provided within the SDNP and the remaining 5,494 to

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<sup>10</sup> Examination Document CD075 (see paragraphs 123 and 125).

<sup>11</sup> Examination Document CD007.

be provided within this Plan. This calculation was primarily based, as Examination Document CD007 explains, on LPP1 spatial policy 2 (Distribution of Housing).

30. Against this total, it is necessary to deduct the numbers of housing units which have already been built, and which are committed through planning permissions (some of which are under construction), plus the likely supply from windfalls and from rural exception sites. When these are deducted from the LPP1 housing requirement of 5,494 for this Plan, the residual housing requirement for this Plan falls to 1,660 units. One of my principal tasks in the examination of this Plan is to form a judgment as to whether this figure is realistic, and therefore whether the Plan is effective in its ability to deliver LPP1 so far as it relates to the plan area.
31. The constraints to new development (especially housing) which were identified in LPP1 have not materially changed since the adoption of that Plan, and based on my conclusions in Matter 1, it is not the role of this Part 2 Plan to reassess the objectively assessed housing need (OAN) of the plan area, or whether its overall housing provision should continue to be limited by these constraints. Clearly, these are matters for the forthcoming Review of the entire Plan (i.e. LPP1 and LPP2), which the Council is committed to as a matter of urgency.
32. The Plan provides for a modest over-provision of residual housing in relation to the LPP1 requirement for the plan area. Firstly, Table 3 of the Plan indicates that the planned level of housing is 1,682 units, based on adopted and emerging Neighbourhood Plan (NP) housing figures and the allocated housing sites within the Plan. However, it is clear from the most up-to-date estimates of housing delivery from the allocated housing sites in the Plan that the identified delivery exceeds the Plan figure by 95 dwellings, with a further excess of 99 dwellings being the estimated delivery of sites, mainly within NP allocations<sup>12</sup>. Adding these two totals to the figure in Table 3 of the Plan indicates that the likely housing delivery, estimated at 1,876, will exceed the Plan total of 1,660 units by 216 units, or 13.01%. Whilst this remains a modest buffer, it does not raise soundness concerns.
33. Regarding the reliance on NPs delivering 1,250 dwellings towards the Plan's housing requirement, the Plan has identified a yield of 395 dwellings from the four 'made' NPs, whilst the updated total of housing allocations from these NPs is identified at 385 dwellings. However, the Plan allocates a site at Ringmer for 32 dwellings, which increases the yield in these four NPs to 417 dwellings. I have no evidence to point to the likelihood of an overall failure of the NPs in the District to meet the target of 1,250 dwellings over the rest of the plan period. Although it would appear that progress on the Peacehaven NP has stalled, the evidence before the examination pointed to most of the NPs exceeding their initial housing contributions following the submission of planning applications and other work, resulting in an overall surplus of housing provision above the requirements in this Plan.

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<sup>12</sup> Table 1 in the Council's Matter 3 Statement [Examination Document LDC/005].

34. Several of the housing allocations in the Plan have deliverability issues. However, **MMs 3-17** and **28** include the necessary changes to ensure the effectiveness of the relevant policies covering the following aspects:
- Addressing flood risk and securing surface water drainage (policy NH01, land south of Valley Road, Newhaven; policy BH01, land at the Nuggets, Valebridge Road; policy RG01, Caburn Field) [**MM3, 4, 10 & 11, 14 & 15**];
  - Provision of sewerage connections and site levelling (policy GT01, Land South of The Plough) [**MM16 & 17**];
  - Remediation of contamination, on-site sewerage provision and addressing biodiversity impact (policy NH02, land at the Marina, Newhaven) [**MM5-9**];
  - Securing safe pedestrian access to the nearest bus stop (policy CH02, Layden Hall, East Grinstead Road) [**MM13**] (and policy GT01, Land South of The Plough) [**MM28**];
  - Provision of landscaped buffers (policy BH01, land at the Nuggets, Valebridge Road) [**MM12**].
35. The Council issued a further note covering the deliverability of the largest housing allocations (including one spatial policy site from LPP1), taking account of the above considerations but also addressing other issues such as Section 106 progress, viability, especially in relation to affordable housing (AH) and, where applicable, environmental impact analysis (EIA) work<sup>13</sup>. This detailed work demonstrates that the six key sites identified in the note can be delivered within the plan period, and that all the identified constraints can be overcome to enable scheme completion within this time.
36. Moreover, the revised capacities of these sites, in part based on recent planning permissions and on more detailed site work, has increased, in some cases significantly<sup>14</sup>. These six sites, totalling 1,200 units, are: Reprodex House, Newhaven (80 dwellings); Land at Harbour Heights, Newhaven (696 dwellings, based on the planning application figure); Land South of Valley Road, Newhaven (24 dwellings); Land at the Marina, Newhaven (300 dwellings); Land adjacent to High Street, Barcombe Cross (10 dwellings); and Caburn Field, Ringmer (90 units using the policy RG01 figure).
37. The windfall numbers are out-performing the allowance made for them in LPP1 spatial policy 2, even taking account of the fact that the LPP1 figure includes windfalls arising within the SDNP. I see no reason to consider that the windfall allowance of 50 dpa should be decreased over the remainder of the plan period, especially as the figures for the last five years, excluding residential gardens, have averaged 58 dpa<sup>15</sup>. Moreover, the Council applies a 25%

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<sup>13</sup> Document LDC/022 – Response to Inspector's Questions ID6 and ID7; April 2019.

<sup>14</sup> For example, land at Harbour Heights is allocated in Spatial Policy 7 for approx. 400 dwellings; this has been increased to 696 houses and apartments, based on the detailed work set out in Document LDC/022, Appendix 1- Deliverability of large 6 sites.

<sup>15</sup> Council's Matter 3 Statement, paragraph 3.29 [Document LDC/005].

discount to small sites to allow for non-implementation (whilst the allowance for non-implementation for large sites is considered on a site-by-site basis).

38. The inclusion of a housing trajectory in the Plan, divided into individual years, and categories (market housing, affordable housing (AH), windfalls, approvals subject to Section 106 and completions) **[MM27]** forms a key element in ensuring that the Plan is positively prepared and effective.

#### *Distribution of housing*

39. The distribution of the residual housing provision of this Plan accords with the SA; it also accords with the strategic principles set out in LPP1 and with the principles of sustainable development. Inevitably, some of the distribution has gone to villages, which I accept are generally less sustainable than the towns. Whilst some of this growth in villages will meet local needs, and where there are in many cases a number of facilities and services, it is not possible within the current planning system to differentiate between housing for commuters and housing to meet local needs.
40. In relation to the provision of the 200 dwellings 'to be determined' in Table 3, these are largely met through the planning permission recently granted for 183 dwellings at the former Newlands School at Seaford, with the remaining 17 dwellings to be located at Newhaven. These are both sustainable settlements and no soundness issues arise.
41. Whilst I agree with the view expressed by several representors that the town of Lewes is located sustainably in relation to the District of Lewes, the fact that it is located outside the plan area and within the SDNP means that it is also outside the remit of my examination of this Plan.
42. The provision of 14 net additional dwellings at the Nuggets, Valebridge Road in policy BH01, results in a net addition of 95 dwellings sustainably located on the fringe of Burgess Hill, to the north of the plan area, in accordance with LPP1. It is acknowledged by the Council that the occupiers of these properties are highly likely to rely primarily on the health facilities, schools and other community services located outside the District. This, however, does not override my conclusion that these developments are sustainably located and that their location accords with the spatial strategy set out in LPP1.

#### *Can the Plan deliver a five-year supply of housing?*

43. National planning policy requires each local planning authority to maintain a five-year supply of deliverable housing sites. Paragraph 49 of *the Framework*<sup>16</sup> states that the relevant policies (in a Local Plan) shall not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.
44. The Council's latest published position<sup>17</sup> shows that at 1 October 2018, the Council was able to demonstrate it had 5.22 years' housing land supply. This document bases its calculations on the LPP1 figure with a five-year target

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<sup>16</sup> Department of Communities and Local Government: National Planning Policy Framework (*the Framework*); March 2012.

<sup>17</sup> Lewes DC Five Year Housing Land Supply Position as at 1 October 2018 [Examination Document CD/061].

figure of 5,494 and a 5% buffer. The MHCLG letter dated 22 October 2019<sup>18</sup> confirms that the Housing Delivery Test measurement for 2018 is 86%, which confirms that the Council's housing delivery is in line with paragraph 73 of *the Framework*. A 5% buffer is therefore appropriate at this point.

45. The shortfall has been met by the use of the 'Liverpool' method (which annualises the requirement over the full extent of the remaining plan period, i.e. utilising a backloaded trajectory), as opposed to the 'Sedgefield' method (which requires the total shortfall to be made good within 5 years). The arguments for opting for the 'Liverpool' method are made in the LPP1 Inspector's Report (IR), which argues that that: "*there is sufficient local justification for the Councils to meet the shortfall of this area over the full plan period*"<sup>19</sup>.
46. I see no reason, based on the evidence before me, which includes the need for major works on a number of the main site allocations, to overcome issues such as remediation from contamination and flood defence work, to disagree with the view in the IR in relation to this Plan. Therefore, on the basis of employing the 'Liverpool' method, I am satisfied that the Council can demonstrate that there is a reasonable prospect of the Plan achieving a five-year housing land supply for the plan area, assuming a 5% buffer.

*Qualitative aspects of housing supply – is there a need for any qualitative parameters for housing provision in the Plan, such as provision for affordable housing (AH), self-build, older persons' accommodation, care homes, accessible housing and student accommodation?*

47. The Council is committed to addressing qualitative aspects of housing supply in its review of the Plan. The Council is promoting self-build through a register and is already looking at its own sites, and a 20-dwelling plot for self-build housing has been identified as part of the Harbour Heights strategic allocation at Newhaven.
48. The Council's affordable housing (AH) provision, including the threshold total and mixture of AH types, is set out in core policy 1 of LPP1, and I have no reason to come to a different conclusion. Policy DM2 in the Plan addresses AH provision on 'exception' sites, especially where the social mix and vitality of villages is being undermined by a shortage of AH; this policy also recognises the intrinsic beauty of the rural landscape and the need to avoid isolated homes in the countryside, and to ensure any new development responds to local character. I therefore consider the policy is justified and effective, and in line with national policy.
49. Whilst sympathetic to representations on this, it is not appropriate to add a requirement to the policy that schemes should be supported by the local community, as this would not accord with paragraph 154 of *the Framework* which requires that only policies that provide a clear indication of how a

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<sup>18</sup> Letter from MHCLC, dated 22 October 2019, following High Court proceedings by Lewes DC in relation to publication of MHCLC's annual housing delivery test results in February 2019, which indicated that the Council had only delivered 50% of the housing required under its adopted local plan over the last three years.

<sup>19</sup> Paragraph 40 of the Report on the Examination into the Lewes District Local Plan – Part 1 – Joint Core Strategy (22 March 2016) [Examination Document CD072].

decision maker should react to a development proposal should be included in the Plan.

50. I am mindful of the representations in favour of policies for older persons' housing, and the lack of them in LPP1 and in this Plan. However, it is clear that the Council would need additional time to formulate a meaningful policy, based on robust evidence, as opposed to general wording. In which case, I consider that it would be more appropriate to include a policy addressing the need for older persons' housing in the forthcoming Local Plan Review.

*Gypsy and traveller accommodation – Is policy GT01, which allocates a site for the provision of 5 net additional permanent gypsy and traveller pitches on land to the south of The Plough, to the north of Plumpton Green village, positively prepared, justified, effective and in accordance with national planning policy and LPP1?*

51. National planning policy<sup>20</sup> aims to ensure fair and equal treatment for the gypsy and traveller community through understanding their accommodation needs whilst respecting the needs of the settled community. In accordance with national policy, the Council has demonstrated that it has sought to engage with the local community in the village of Plumpton Green from the earliest stages of developing policy GT01 as part of seeking to meet the needs of the gypsy and traveller community in the plan area. The Council has stated that it has sought to explore possible sources of potentially suitable sites as part of its local plan preparation process. This included holding a public meeting held within the village on 5 September 2018. I am satisfied that the Council's preparation for policy GT01 demonstrates positive preparation and is in accordance with national policy.
52. Moreover, the provision of a new site for gypsies and travellers will also address the issue of unauthorised gypsy and traveller encampments within the plan area. As part of its activities under its commitment to the DTC, the Council has sought to work with neighbouring local planning authorities in securing gypsy and traveller provision.
53. As I stated at the outset of my report, the scope of this Plan is to implement LPP1, which has been found to be sound in relation to national policy at the time of its adoption. The fact that national policy in relation to gypsy and traveller accommodation has subsequently changed its emphasis<sup>21</sup> is not therefore a matter which I can have regard to in determining the soundness of this Plan. Within the ambit of national policy, LPP1 has had regard to the level of need identified in the 2016 East Sussex and South Downs National Park Authority Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTAA).
54. LPP1 core policy 3 (Gypsy and Traveller Accommodation) identifies the number of permanent pitches required across the District for the period 2014-2030, as well as its distribution between the areas inside and outside the SDNP. The policy requires the provision of 5 pitches outside the SDNP, i.e. within this plan area; policy GT01 of this Plan reflects the LPP1 total in allocating a site for the

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<sup>20</sup> Planning Policy for Traveller Sites (PPTS), Department for Communities and Local Government; August 2015.

<sup>21</sup> In the PPTS, Annex 1, the definitions of 'gypsies and travellers' and 'travelling show people' have been amended. Previously included within the definition were those who had ceased to travel temporarily or permanently for reasons of health, education or old age. "Permanently" has been deleted from the definitions.

development of 5 net additional permanent gypsy and traveller pitches on a 0.69 ha site on land south of The Plough, to the north of Plumpton Green Village.

55. Core policy 3 also sets out six criteria to guide the allocation of gypsy and traveller sites, stating that in considering planning applications for sites for gypsies and travellers (and travelling showpeople), proposals will be supported where the six criteria, which are set out in the policy, have been met and where the proposal is in conformity with other relevant district-wide policies. These criteria, which are reflected in policy GT01, were discussed in some detail at the hearing sessions, and it is necessary to examine each one in turn.
56. *Criterion 1 - Avoid locating sites in areas of high flood risk, or significantly contaminated land, or adjacent to existing uses incompatible with residential uses, such as waste tips and wastewater facilities:* The proposed site is located within Flood Zone 1, so that no sequential test is needed. There has been no objection to policy GT01 from the Environment Agency (EA). Moreover, no robust arguments were made either at the hearing sessions or in subsequent representations to the main modifications, that the site is unsuitable for pitches for gypsies and travellers on the basis of either flood risk or proximity to environmentally incompatible uses. I have no evidence to come to a different conclusion.
57. A modification to policy GT01, to ensure that the development will provide a connection to the sewerage system, as advised by Southern Water **[MM17]** is necessary to ensure that the policy is positively prepared and effective. Also, a further modification to ensure that the policy is clear in referring to the site which should be levelled rather than the development **[MM16]**, is necessary to secure the effectiveness of the Plan.
58. *Criterion 2 – The site is well related to or has reasonable access to, settlements with existing services and facilities such as schools, health services and shops:* The proposed site is located just to the north of the village of Plumpton Green, to which it is connected by Station Road, which forms the spinal route of the village, and which is designed to enable traffic generally to flow freely in both directions. The site lies immediately to the north of an industrial site, which is known as The Old Brickworks, and it is also located close to a number of scattered dwellings and a public house (The Plough).
59. Although it is located outside the planning boundary of the village and comprises part of a field, the site is not isolated or remote, and is not located in a peripheral hamlet. The site is accessible to a range of services which are within the village.
60. The evidence that I heard at the hearing sessions and read in submissions and observed at the site and in the area, is that site GT01 is located within 1.5 to 1.9 kilometres (km) from the facilities within the village. There is a bus stop 150 m to the north of the proposed access to the site; and I heard no robust evidence that the regular bus service is likely to cease operating any time soon. There is a doctors' surgery within a 2.5 km range, which is not an unreasonable distance away. The nearest primary school is about 2.25 km away, and the nearest secondary school is about 4 km distant. These



distances do not equate to the site being in unsustainable rural isolation. Moreover, policy GT01(a) makes provision for pedestrians and cyclists along the main road.

61. On the basis of the above evidence, I consider that site GT01 is close to the village of Plumpton Green, and is well related to, and has reasonable access to, settlements with existing services and facilities. This view is also agreed by the ESCC Gypsy and Traveller Team Manager, who considers that the allocation meets the relevant criteria for ensuring a satisfactory site for gypsy and traveller pitches.
62. *Criterion 3 – The proposal does not compromise the special features of national historical, environmental or landscape designations, such as the SDNP:* The site is located to the north of Plumpton Green, whereas the SDNP is located to the south of the village. Any view of the proposed development on site GT01 from the SDNP would only be seen within the context of the entire village and would therefore not be viewed as a pristine area of undeveloped countryside. As such, it would not adversely affect the setting of the SDNP. In addition, policy GT01 requires the proposed development to use the natural topography in screening the site from the wider, sensitive landscape views and to be designed to minimise the perception of urbanisation in this location.
63. *Criterion 4 – There is safe and convenient access to the road network:* There is already a vehicular access to site GT01, which the highway authority deems acceptable in terms of safety and convenience. Policy GT01(b) also requires that the development should be laid out to provide sufficient room for vehicles to turn around within the site, and therefore to be able to access and egress the site in forward gear. Regarding safety concerns, no accident data was submitted by any party.
64. Although there is presently no roadside footpath alongside the site, the Council indicated at the hearing sessions that a dedicated footpath connecting the site to the nearest bus stop would be necessary in the interests of pedestrian safety, and I have added this to the list of modifications **[MM28]**. This is necessary to ensure that the site is linked satisfactorily to the facilities within the village and in the interests of pedestrian safety and ensures that the Plan is positively prepared. On the basis of the above considerations, subject to the recommended added modification, it is my view that the site affords safe and convenient access to the road network.
65. *Criterion 5 – There is capacity to provide on-site physical and social infrastructure such as water, power, drainage, parking and amenity space:* There are no additional infrastructure issues which would curtail the development of the site for gypsy and traveller accommodation, and this is therefore not a reason for policy GT01 to be deleted.
66. *Criterion 6 – Adequate levels of privacy for residents on or adjacent to the site are provided through planning considerations such as site layout, scale and landscaping:* The nearest residential neighbours occupy plots on the opposite side of Station Road to site GT01, and the separation distances between the habitable windows of these properties and the proposed development are

sufficient to ensure that there would be no potential for significant detriment to neighbouring living conditions, such as overlooking, loss of privacy, or other forms of disturbance. In addition, the requirement in policy GT01(c) for the proposal to be designed to minimise the perception of urbanisation in this location would also minimise any impacts on neighbouring living conditions.

67. At the suggestion of the Council, I visited the permanent gypsy and traveller site at Offham, just to the north of the town of Lewes. I observed how successfully the site has been assimilated into its surroundings, and I am not persuaded that a similar, sensitive scheme could not be implemented at site GT01.
68. Several other issues were raised by the parties and I address these below. Firstly, *in relation to Plumpton Neighbourhood Plan (NP)*; there is no allocation for a gypsy and traveller site within the Plumpton NP, neither is there a policy which sets out any criteria for determining such a site. The NP is therefore silent on the issue.
69. Furthermore, at the time of the examination, no other emerging or 'made' NPs within the plan area have sought to deliver a site for permanent gypsy and traveller pitches. Given the complete NP policy silence throughout the plan area and the fact that there is both a national policy and LPP1 requirement to meet an identified need for gypsy and traveller pitches within the plan area, the Council undertook to allocate a site for this need within the Plan. I consider that this was the appropriate response for the Council to take in order to secure the soundness of the Plan, and to have avoided the issue would have been contrary to national and LPP1 policy.
70. Secondly, *regarding the selection process in relation to the GT01 site*, I was informed at the hearing sessions that several alternative sites were considered over a period of time, but during the preparation of LPP1, none of these sites was found to be suitable. LPP1 therefore delegated the task of allocating a gypsy and traveller site to LPP2. Initially, site GT01 was considered as part of a larger site, which was appraised and rejected. It is clear that site GT01 is just part of the larger site referred to above, with the nature of the access requirements amounting to a significant difference between the earlier site and site GT01 (involving matters such as the extent of hedge loss, steepness of gradient, the need to acquire third party land and flood risk).
71. The plan period for both LPP1 and LPP2 is 2010-2030, and policy GT01 is considered to be implementable well within this period, and I have no reason to disagree with this view. Although ideally, several realistic, alternative sites should be considered, as the Strategic Environmental Assessment (SEA) points out, it is not reasonable to consider the alternative of 'no site'. 'Doing nothing' is therefore not a legitimate option in terms of satisfying national policy.
72. The evidence, however, points to a thorough exercise being undertaken by the Council in the preparation of the Plan, which included close collaboration with the Council's housing officers, included a review of the Council's land holdings, followed by a further SEA and then a further assessment of sites from ESCC. There are therefore no soundness issues raised by the process whereby the GT01 site was introduced into the Plan.

73. Thirdly, *in relation to the impact of gypsy and traveller accommodation on the viability of local businesses*; I heard no robust (as opposed to hear say) evidence that the proposal was likely to lead to the loss of viability of either The Plough Public House or the Old Brickworks industrial site.
74. Finally, *in relation to precedent*: there is no evidence to demonstrate that the allocation of site GT01 would set a precedent for either additional gypsy and traveller pitches, in Plumpton Green or elsewhere, or that the policy would lead to additional urban growth in and around the village. Additional allocations for gypsy and traveller accommodation or housing for the settled community or any other form of development would need to be formulated through the local plan or NP process, in the same way that policy GT01 is being formulated, and the process would require public scrutiny and the exercise of an examination in the public realm. Any windfall applications would also be considered in the context of the existing development plan (LPP1, LPP2 and NPs) and national policy.
75. From the evidence before me, policy GT01 is in line with national policy as it existed at the time LPP1 was adopted. It is entirely in line with core policy 3. None of the additional arguments against the policy made in statements to the examination and which were discussed at the hearing sessions or in response to the suggested modifications, have persuaded me, either individually or cumulatively, to delete the policy, which I consider, subject to the above modifications, to be positively prepared, justified, effective, and in accordance with both national policy and LPP1.

#### *Issue 2 - Conclusion*

76. From the evidence before me, I conclude in relation to Issue 2, that subject to the above modifications, the Plan is positively prepared, justified and effective in delivering LPP1 over the plan period and accords with national policy.

#### **Issue 3 – Are the Plan’s provisions for the protection and enhancement of the environmental, landscape, biodiversity, open space, recreational and leisure and heritage assets positively prepared, justified, effective and in accordance with national policy?**

77. The Plan contains a suite of policies which address a range of environmental issues, which are generally in accordance with national policy.
78. Natural England (NE) suggested an amendment to policy DM24 (protection of biodiversity and geodiversity). This refers to impacts either individually or collectively, and to add a new section to protect the loss or deterioration of irreplaceable habitats, such as ancient woodland or veteran trees in all but wholly exceptional circumstances, where a suitable compensation strategy exists **[MM25&26]**. These changes are justified and ensure the policy accords fully with national policy.

#### *Issue 3 - Conclusion*

79. From the evidence before me, I conclude in relation to Issue 3, that subject to the above modification, the Plan is positively prepared, justified, effective and accords with national policy.

**Issue 4 – Are the policies to manage and promote the local economy and employment areas positively prepared, justified and effective and in line with national policy and LPP1?**

*Overall provision of employment land in the Plan Area*

80. LPP1, based on evidence provided in the Council's Employment Background Paper<sup>22</sup>, sets out an employment land requirement of 74,000 sq metres (sm) for the District. The outstanding supply figure is now reduced to 32,000 sm following the granting of planning permissions, some of which have been completed.
81. The Background Paper shows that the employment land allocations at Cradle Hill, Seaford (now a NP allocation); Harbour Heights, Newhaven (allocated in LPP1); land at East Quay, Newhaven (allocated by policy E1 in this Plan); and land adjacent to the AMEX Community Stadium, Falmar (allocated by policy E2 in this Plan), amount to 43,000 sm, which together with completions and extant permissions total 85,000 sm, i.e. in excess of the 74,000 sm provision in LPP1. This amount of headroom will increase the choice and range of sites for employment development, adding flexibility to the Plan. The Plan therefore conforms to the LPP1 overall strategy and provides a framework to meet current employment needs within the District.

*Expansion of the Port of Newhaven*

82. Policy E1 allocates employment uses associated with Newhaven Port and its expansion, at East Quay. This comprises an open area to the east of the existing port, extending almost as far south as the foreshore of the English Channel. It is contained by an enclosed tidal channel known as Tide Mill Creek, to the north. The written representations and discussion at the hearing sessions point to the following principal criteria which I address below.

*Criterion 1 – The need for land for the expansion of the Port of Newhaven and for port-related employment land*

83. LPP1 recognises the Port of Newhaven as an important strategic asset, both for the District and also for the wider region<sup>23</sup>. Policy E1 is in line with LPP1 core policy 4 (7), which supports the continued use of Newhaven Port for freight and passengers, including plans for the modernisation of the port as identified in the Port Authority's Port Masterplan<sup>24</sup>. This accords with the Government's aim of building a strong, competitive economy, as set out in paragraphs 18 to 21 of *the Framework*.
84. Although several representors questioned the need for any expansion of the port or for additional employment land at Newhaven, no robust evidence was

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<sup>22</sup> Examination Document CD051.

<sup>23</sup> LPP1, paragraph 7.48.

<sup>24</sup> Newhaven Port Masterplan 2012 [Examination Document CD047].

put forward which demonstrated that the justification for core policy 4 (7), as reflected in policy E1 had now disappeared or had in some way diminished.

85. The LPP1 Inspector's Report (IR) is clear that port expansion at Newhaven is justified and that it is in line with national planning policy. The IR also states: "*Given the obvious constraints that severely limit the realistic potential for peripheral expansion of the district's towns, it is appropriate and reasonable in this area to seek to safeguard existing employment sites from other competing uses, in principle at least.*"<sup>25</sup> Core policy 4 (7) supports the continued use of Newhaven Port for freight and passengers, including plans for the expansion and modernisation of the port, as identified in the Port Authority's Master Plan.
86. The Port Authority's Masterplan makes the business case for the expansion of the Port of Newhaven. It identifies the land that is needed for the expansion of the port, for both freight and passenger use. The port's land requirement includes the allocation identified in policy E1. The Masterplan also sets out in detail the arguments for the expansion of the port and the proposals for specific parts of the land covered by policy E1, which it maintains are the principal focus of the port's expansion proposals, including the provision of a new berth at East Quay and relocation of the existing ferry terminal in order that the port can accommodate modern ferries; the Port Authority certainly does not shed doubt on the continuation of the ferry services currently operating from the port, and I see no reason to take a different view.
87. These arguments are also supported by the Local Enterprise Partnership (LEP), indicating to me that policy E1 is supported by the local business community. Furthermore, no robust case was made at the examination which demonstrated that the case for port expansion in economic terms was unjustified.
88. On the basis of the evidence before me and the discussions at the hearing sessions, I conclude on the first criterion, that the need for port expansion at Newhaven, including the need for employment land, as provided for in policy E1, is justified and that the policy is effective, and that it is in accordance with both LPP1 and national planning policy.

*Criterion 2 - Whether any constraints to the development of the policy, such as the construction of the Port Access Road (PAR), have been overcome. Also, have flood risk issues been satisfactorily addressed, and how critical are other potential adverse factors, such as air and noise pollution, traffic congestion and impact on the marine environment?*

89. The first stage of the Port Access Road (PAR)<sup>26</sup>, which, as its name implies, aims to link the Port of Newhaven to the national highway network, extends as far south as the proposed roundabout, and has planning permission. It had been partially constructed as far as the projected railway bridge crossing at the time of my site visit. Work on the final phase commenced on 7 January 2019 and the ESCC scheme is programmed for completion by October 2020, at a cost of £23.2 million. This money is now available and allocated for the

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<sup>25</sup> LPP1 Inspector's Report, paragraph 119 [Examination Document CD072].

<sup>26</sup> A map of the PAR, including the roundabout, can be seen in Document Rep/486/001 [March 2019].

implementation of the PAR. Its completion date is now realistic and not just aspirational.

90. The Newhaven Flood Alleviation Scheme is scheduled for completion by autumn 2019 and will provide a 1 in 200-year standard of protection. Most of policy E1 is located within Flood Zone 1, whilst employment uses are likely to fall into the 'less vulnerable' flood risk classification. It is also, for logistical reasons, important that port-related operational and employment uses, are located in close proximity to the port, which I regard as a critical consideration. It would appear from the evidence submitted that the drainage and flooding constraints will be largely overcome once the flood alleviation scheme is in operation in the near future.
91. The entire area of undeveloped land has some environmental value, for example as part of the foreshore and the enclosed tidal channel, known as Tide Mill Creek, where large bird populations can and do thrive. Much of this area, however, comprises relatively low value shrubland and is bordered by even more extensive areas of suitable bird habitat.
92. Nevertheless, the environmental importance and sensitivity of the site and adjoining coastal strip have required several modifications to the Plan to be suggested. **MM20** provides for a north-south aligned buffer zone at the eastern end of the proposed port expansion in order to effectively protect the Tide Mills Nature Reserve immediately to the east of site E1. It therefore makes the Plan justified and effective. Several dimensions for the buffer zone were suggested by some parties, ranging from below 10 to about 80 m in width, but no robust evidence was put to me to support any specific dimension. The exact width, height and landscaped treatment of the buffer will be determined at the development management stage, based on appropriate evidence, with the entire land take for the buffer coming from within the policy E1 area.
93. Secondly, **MM19** provides for the deletion of the land originally within policy E1 to the south of the bunded footpath. This would protect an integral part of the vegetated shingle habitat which extends along the foreshore, including the site of the former World War Two Seaplane Base, which is an undesignated heritage asset, and is therefore necessary for the Plan to be justified and effective. A consequential change to the Policy Map is therefore necessary.
94. Thirdly, **MM18** strengthens the mitigation requirements, to ensure that the proposed development would be acceptable in environmental terms. This ensures, amongst other things, that mitigation should be delivered, and time allowed for its establishment before any development occurs, so that no net loss of biodiversity occurs at any time. Whilst the remit of this modification is limited to the area contained within site E1, the development proposals will be required to ensure that any impact on the existing public footpath which runs through the site will be mitigated in relation to convenience, safety and amenity of this right of way, in accordance with policy DM35.
95. These three modifications address the key biodiversity issues in and around the area covered by the submitted policy E1 which need to be effectively

considered to ensure that the policy is justified and accords with national policy.

96. The option of deleting additional scrubland to the east of the PAR from policy E1 would not in my view result in significant additional environmental or visual benefits, whilst it would artificially curtail the 'natural' expansion of the port eastwards. The impact of the PAR, some sections of which are elevated, will, of course, have a visual impact on the landscape to the east of the port. However, far from a pristine view of open countryside from the cliffs in the SDNP overlooking site E1, the views over Newhaven from the National Park look down onto the urban area of the town and the existing port operations with the backdrop of the English Channel. The relatively small-scale addition at the far end of the port represented by policy E1 would be dominated by the elevated sections of the PAR, with any cumulative impact from the implementation of policy E1 on the setting of the SDNP being minimal.
97. The PAR is likely to decrease traffic congestion on the residential roads which lead to the port, and there are likely to be benefits in a reduction of both noise and air pollution for residential areas which are currently adversely impacted by the disturbance arising from heavy goods vehicles entering and leaving the port and the port activities themselves. Moreover, the application of a number of policies, including DM20 (pollution management), DM23 (noise) and DM25 (design) will also safeguard the quality of the living conditions of neighbouring residential occupiers from the potential environmental effects of the implementation of policy E1.
98. On the basis of the written evidence and the discussions at the hearing sessions, I conclude on the second criterion, subject to the proposed modifications, that the potential constraints to the sustainable implementation of policy E1 can be mitigated to ensure that the policy is positively prepared, justified and effective, and that it is in accordance with both LPP1 and national policy.

*Criterion 3 - The sustainable planning balance*

99. In strategic planning terms, the sustainable planning balance was determined in favour of policy E1 in LPP1. It is my contention that the material planning considerations that led to the support for policy E1's predecessor in LPP1 (core policy 4(7)) have not significantly changed. No new soundness considerations have arisen to persuade me to delete policy E1. If anything, I consider the arguments in favour of the policy, including the realisation of the commitment to construct the PAR, are now even stronger than they were during the examination of LPP1.
100. The evidence which I have considered in the previous paragraphs still points conclusively to the need for the proposed employment and port-related development on site E1. Moreover, the potential constraints to the port-related development as set out in policy E1, the overcoming of which were if anything less certain at the time of the examination of LPP1, have already been overcome, are in the process of being overcome, or are satisfactorily addressed by other relevant policies in the Plan. Pedestrian access to all the remaining areas of the foreshore will be retained, and I heard no evidence to

demonstrate that the abundant and diverse bird population within and around site E1 would be significantly adversely affected.

101. There are clearly environmental considerations which have to be addressed in assessing the soundness of policy E1. However, it is clear to me that the suggested modifications, to ensure the protection of the Nature Reserve through a buffer, the deletion of the policy area to the south of the footpath so as to protect the vegetated shingle habitat, and the mitigation requirements prior to any development being started, enable the policy to be implemented in an environmentally sustainable way, and are therefore justified. For this reason I do not consider that the arguments to keep the site undeveloped, on the grounds of protecting its wildlife, recreation and leisure potential, its attraction for tourists and visitors and its potential harmful effect on the setting of SDNP (which I consider would be minimal) are sufficient to outweigh the arguments in favour of implementing policy E1.

*Land adjacent to American Express Community Stadium, Village Way, Falmer*

102. Policy E2, for office and health/educational uses associated with the Stadium or the Brighton Universities, is for development which would be clearly visible from the SDNP which overlooks the site. Development on this site clearly has the potential to contribute to the existing heavy congestion on the busy A27 main road which runs adjacent to the site, close to the Falmer junction.
103. Modifications to the policy, to require that the design and external materials should reflect the setting of the SDNP **[MM21]**, and to require sustainable transport infrastructure 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 **[MM22]**. These are necessary for the policy to be sensitive to the setting of the SDNP and to secure sustainable transport access. An additional modification, to introduce flexibility so as to allow for ancillary uses associated with the Stadium and Brighton Universities **[MM23]**, is necessary for the Plan to be effective, whilst **MM24** introduces the necessary flexibility in the requirement for green infrastructure.

*Other economic and employment aspects*

104. The Plan also addresses several other aspects of the local economy and employment provision. This includes the protection of existing and allocated employment sites from development for other uses, such as housing, in accordance with national policy, and it addresses the need for a sustainable housing/employment balance in the interests of reducing commuting distances where possible. LPP1 also includes town centres policies, e.g. core policy 6, which satisfactorily address retail and town centre issues. Policy DM9, covering farm diversification, accords with national policy and LPP1 strategy. Finally, policy DM11 takes a proactive stance and accords with the strategic thrust of core policy 4 in taking a proactive approach to supporting the rural economy in line with both national policy and LPP1.

*Issue 4 - Conclusion*



105. From the evidence before me, I conclude in relation to Issue 4, that subject to the above modifications, the Plan is positively prepared, justified and effective and in line with national policy and LPP1.

**Issue 5 – Are the transport, infrastructure, implementation and monitoring provisions positively prepared, justified, effective and in line with national policy?**

106. There is recognition in the LPP1 IR that the capacity of the highways network, especially on the A27 and A259, the latter serving the main settlements along the coast, such as Newhaven, Peacehaven and Seaford, is a major contributor towards the fact that the OAN figures cannot be met in full<sup>27</sup>.

107. Although the Infrastructure Delivery Plan (IDP)<sup>28</sup> is committed towards implementing small scale capacity improvements on the A27 to the east of Lewes, there is a realisation on the part of Highways England, ESCC and others that an emphasis on the construction of new highways is not an appropriate way forward in the plan area. This approach is justified by the high coverage of landscape, wildlife and coastal constraints.

108. The sustainable way forward identified by the leading infrastructure agencies is to investigate more comprehensive solutions to address peak hour congestion between Lewes and Polegate, using sustainable transport where possible. Although this stretch of highway falls within the SDNP, it will have important implications for traffic movement within the plan area. The only exception to this strategy is the PAR, which is a new road construction project focused on the specific delivery issues of the Port of Newhaven, which I have already addressed in Issue 4 above.

109. The IDP identifies the infrastructure required to meet the level and distribution of growth which is proposed in the Plan over the plan period. The Council, supported by ESCC as highway authority, considers that there is a reasonable prospect that the required highway and transport infrastructure improvements could be delivered in a timely fashion over the plan period.

110. Regarding flood risk, the only housing site allocation within Flood Zone 3 is the land at the Marina, Newhaven (policy NH02). However, a flood risk assessment has been carried out for this site, including a sequential test, by the Council. The EA has agreed that this assessment is sufficient to demonstrate the acceptability of this allocation within the Plan, subject to detailed sewerage and decontamination modifications which I have addressed under Issue 2 above.

111. In relation to the quantity and quality of water supply, the plan area, along with the rest of the South East, is in an area of 'serious water stress', as defined by the EA<sup>29</sup>. With this situation in mind, LPP1 core policy 14 requires all new dwellings to achieve a water consumption rate of not more than 110

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<sup>27</sup> IR, paragraph 25 [Examination Document CD072].

<sup>28</sup> Examination Document CD057.

<sup>29</sup> Council's Statement in response to Inspector's questions – Matter 7 paragraph 6.1 [Examination Document LDC/009].

litres per person per day. Policy DM22 builds on core policy 14 and seeks to ensure that new development will not put the quality of the water environment at risk. This policy is supported by EA, ESCC, NE and Sussex Wildlife Trust, and I consider it is justified and in accordance with national policy.

*Issue 5 - Conclusion*

112. From the evidence before me, I conclude in relation to Issue 5, that the Plan is positively prepared, justified and effective and is in line with national policy and LPP1.

**Issue 6 – Are the Plan's provisions for settlement boundaries, development management, uncertainties and risks justified and effective?**

113. Policy DM1, which sets out the proposed development boundaries, operates within the spatial context of LPP1 spatial policy 2, which identifies the scale and distribution of housing development across the District. The importance of gaps is recognised, to maintain the distinctive character and identity of individual settlements. The Council's response to my questions is to indicate that whilst the principle of retaining gaps between settlements is important and is covered at a contextual level in LPP1 strategic policy 2, a considerable body of work, including detailed landscape character analysis, would be required prior to formulating a detailed policy on gaps. In these circumstances it is my view that, rather than commission the extra work now, the option of a gap policy can be pursued as part of the Local Plan Review.

114. The Council considers that there is ample scope within the planning boundaries based on policy DM1 which are defined on the Policies Map, to accommodate the supply of 468 dwellings on windfall sites which are required as a component of the overall housing provision in the Plan (as considered under Issue 2 above). This was not robustly challenged during the examination, and on the evidence before me, I consider that this policy is not too restrictive in relation to the Plan's windfall target.

115. In relation to development management, the relevant policies in Section 4 of the Plan provide the necessary direction, address local issues and replace the remaining 'saved' policies. They have also addressed relevant uses raised by stakeholders and the public. Policy DM4 manages residential conversions in the countryside; policy DM19 aims to protect the best and most versatile agricultural land. Policy DM6 seeks to support sustainable growth and expansion of rural businesses whilst respecting the character of the countryside. In addition, policies DM10 (Employment Development in the Countryside) and DM11 (Existing Employment Sites in the Countryside) seek more generally to support sustainable growth and expansion of rural businesses whilst respecting the character of the countryside. These policies provide a more detailed framework than can be found in national policy and will assist in the delivery of an effective Plan.

116. In terms of uncertainties and risks, the Plan provides a positive and flexible framework for decision taking.

117. Finally, in relation to monitoring, this is done annually through the Authority Monitoring Report (AMR). The provisions for monitoring are covered in LPP1,

and I therefore agree with the Council that there is no need for a monitoring policy in this Plan. The Council has proposed that the AMR will be amended to add progress in NP preparation to its list of indicators, which I consider is appropriate.

#### *Issue 6 - Conclusion*

118. From the evidence before me, I conclude in relation to Issue 6, that the Plan is justified and effective and is in line with national policy and LPP1.

## **Assessment of Legal Compliance**

119. My examination of the legal compliance of the Plan is summarised below. I conclude that the Plan meets them all.

120. The Lewes District Local Plan Part 2: Site Allocations and Development Management Policies has been prepared in accordance with the Council's Local Development Scheme.

121. Consultation on the Local Plan and the MMs was carried out in compliance with the Council's Statement of Community Involvement.

122. Sustainability Appraisal has been carried out and is adequate.

123. The Habitats Regulations Appropriate Assessment Screening Report [August 2018] sets out why an AA is necessary for recreational pressure.

124. The Local Plan includes policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change. The theme of sustainability permeates the entire Plan and several policies will help to secure that the development and use of land will contribute to the mitigation of, and adaptation to, climate change. These include the various policies on the protection of biodiversity, although some of the key policies such as those addressing coastal erosion and renewable and low carbon energy, are included in Part 1 of the Plan (LPP1).

125. In addition, the overall spatial focus on the main settlements for the majority of new development and policies generally aim to protect the countryside from development, and to allocate housing and employment land within or near to the urban areas. This strategy is intended to reduce the need to travel. Accordingly, the Plan, taken as a whole, achieves this statutory objective.

126. The Local Plan complies with all other relevant legal requirements, including in the 2004 Act (as amended) and the 2012 Regulations.

127. I have had due regard to the aims expressed in S149(1) of the Equality Act 2010. This has included my consideration of several matters during the examination including the provision of traveller sites to meet need and improving access to housing.

## **Overall Conclusion and Recommendation**

128. The Plan has a number of deficiencies in respect of soundness for the reasons set out above, which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.

129. The Council has requested that I recommend MMs to make the Plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix, the Lewes District Local Plan Part 2: Site Allocations and Development Management Policies satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

*Mike Fox*

Inspector

This report is accompanied by an Appendix containing the Main Modifications.

## 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 ~~strike through~~ 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><b>Habitats Regulation Assessment</b><br/> <i>Amend paragraph 1.19 after: "The Habitat Regulations Assessment" as follows:</i><br/>           published alongside this document constitutes a number of individual reports and addendums that demonstrate that <del>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</del> <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><b>Habitats Regulation Assessment</b><br/> <i>New paragraph in supporting text to read:</i><br/> <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>  |
| MM3   | M05         | Policy NH01, page 20                    | <p><b>Policy NH01: Land South of Valley Road</b><br/> <i>Amend policy NH01 by adding an additional criterion to read:</i><br/> <u>(c) 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><b>Policy NH01: Land South of Valley Road</b><br/> <i>Following paragraph 2.28, add new paragraph to read:</i><br/> <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</u></p>   |

|      |             |   |   |
|------|-------------|---|---|
|      |             |   | <u>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>  |
| MM5  | M10         | Policy NH02, page 22                      | <b><i>Policy NH02: Land at The Marina</i></b><br><i>Amend criterion (e) of policy NH02 to read:</i><br>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         | <b><i>Policy NH02: Land at The Marina</i></b><br><i>New paragraph in supporting text to read:</i><br><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 | <b><i>Policy NH02: Land at The Marina</i></b><br><i>New paragraph in supporting text to read:</i><br><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                      | <b><i>Policy NH02: Land at The Marina</i></b><br><i>Add new text in criterion (g), after "biodiversity":</i><br><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                      | <b><i>Policy NH02: Land at the Marina</i></b><br><i>Add new text at the end of criterion (b) to read:</i><br><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                      | <b><i>Policy BH01: Land at The Nuggets, Valebridge Road</i></b><br><i>Amend policy BH01 by inserting additional criterion, to read:</i><br>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 | <b>Policy BH01: Land at The Nuggets, Valebridge Road</b><br><i>Following paragraph 2.51, insert new paragraph to read:</i><br><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>            |
| MM12 | M39 | Policy BH01, page 26                    | <b>Policy BH01: Land at The Nuggets, Valebridge Road</b><br><i>Amend criterion (d) to read:</i><br><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>  |
| MM13 | -   | Policy CH02, page 41                    | <b>Policy CH02: Layden Hall, East Grinstead Road</b><br><i>Amend criterion (a) to read after East Grinstead Road:</i><br>Including safe and convenient pedestrian access to the nearest bus stop.   |
| MM14 | M19 | Policy RG01, page 49                    | <b>Policy RG01: Caburn Field</b><br><i>Amend policy RG01 by inserting an additional criterion to read:</i><br><u>(f) Appropriate surface water drainage mitigation is agreed with relevant body and local planning authority and implemented accordingly;</u>   |
| MM15 | M21 | Supporting text to policy RG01, page 51 | <b>Policy RG01: Caburn Field</b><br><i>Following paragraph 2.127, insert new paragraph to read:</i><br><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> |
| MM16 | M41 | Policy GT01, page 53                    | <b>Policy GT01: Land South of The Plough</b><br><i>Amend criterion (b) to read:</i><br>(b) <del>Development</del> <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                    | <b>Policy GT01: Land South of The Plough</b><br><i>Add new criterion (h) to read:</i>   |

|      |     |                                   |   |
|------|-----|-----------------------------------|---|
|      |     |                                   | <p><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><b><i>Policy E1: Land at East Quay, Newhaven Port</i></b><br/> <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</i></u></p> |



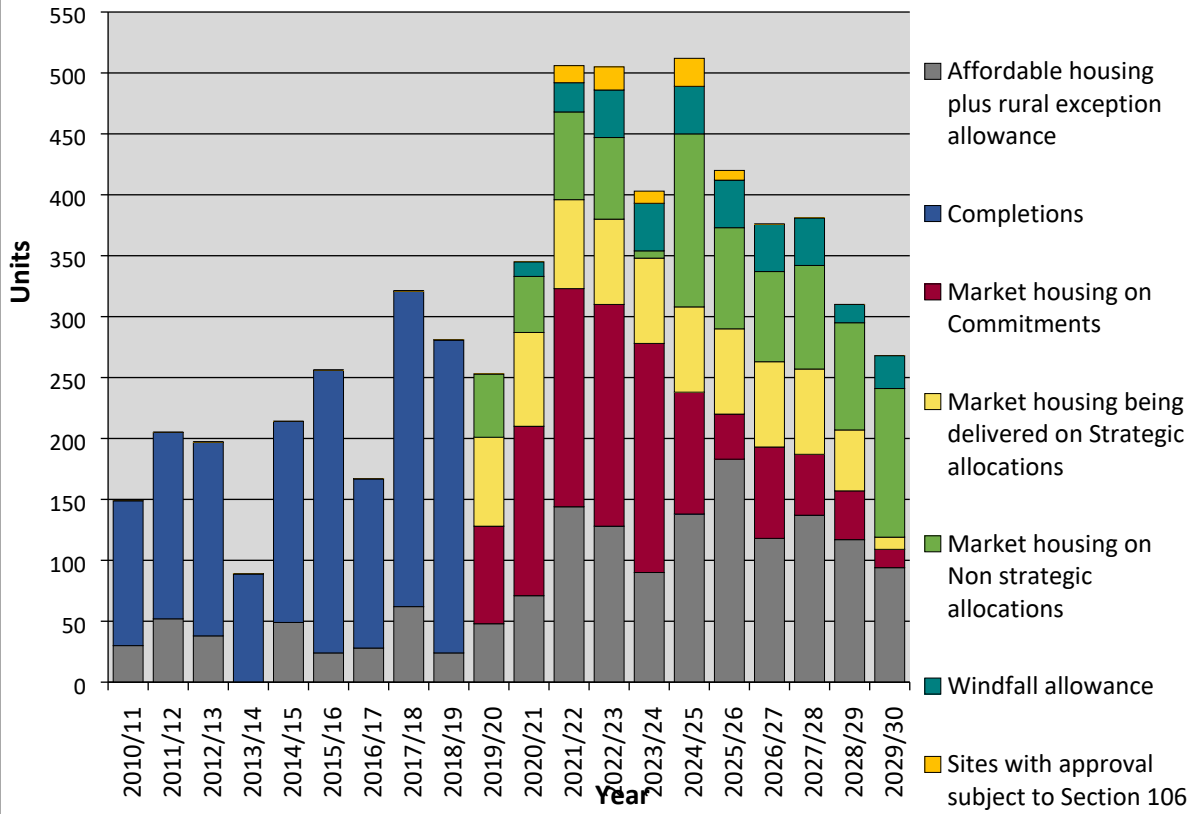
|      |     |                                   |   |
|------|-----|-----------------------------------|---|
|      |     |                                   | <p><u>Quality Design</u>) of the Local Plan Part 1.</p> <p><u>A public footpath, which forms part of the proposed England Coast Path, runs through 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 (Footpath, Cycle and Bridleway Network).</u></p>  |
| MM19 | -   | Following paragraph 3.17, page 59 | <p><b><i>Policy E1: Land at East Quay, Newhaven Port</i></b><br/> <i>New paragraph in supporting text to read:</i><br/> <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><b><i>Policy E1: Land at East Quay, Newhaven Port</i></b><br/> <i>Amend policy E1 to read:</i></p> <p>Policy E1: Land at East Quay, Newhaven Port</p> <p><del>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:</del></p> <p>(a) <u>An ecological impact assessment is undertaken, and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts on biodiversity;</u></p> <p>(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></p> <p>(c) <u>An appropriate assessment and evaluation of archaeological potential is undertaken, and any necessary mitigation measures implemented; and</u></p> <p>(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</u></p> |

|      |     |                         |  |
|------|-----|-------------------------|--|
|      |     |                         | the east of the proposed port expansion.   |
| MM21 | M42 | Paragraph 3.21, page 61 | <p><b>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</b><br/> Amend paragraph 3.21 to read:<br/> 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><b>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</b><br/> Amend paragraph 3.23 to read:<br/> 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 &amp; 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><b>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</b><br/> Land adjacent to the American Express Community Stadium, as identified on the Policies Map, is allocated for B1a (offices) <del>and/or</del> D1 (health/education) <del>and/or</del> other ancillary uses directly associated with the Stadium and/or Sussex and Brighton Universities.</p>   |
| MM24 | M28 | Policy E2, page 62      | <p><b>Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer</b><br/> Amend criterion (d) of policy E2 to read:<br/> (d) The provision of green infrastructure and wider landscaping enhancements through <del>creative landscape solutions (including features such as green walls and roofs);</del></p>   |
| MM25 | M46 | Policy DM24, page 95    | <p><b>Policy DM24: Protection of Biodiversity and Geodiversity</b><br/> Amend the third paragraph of policy DM24 to read:</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</u> , will only be permitted where the benefits of the development <del>at this site</del> , <u>in the location proposed</u> 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 | <b><i>Policy DM24: Protection of Biodiversity and Geodiversity</i></b><br><i>Insert a new penultimate paragraph into policy DM24 to read:</i><br><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>  |
| MM27 | -   | New Appendix 5       | <b><i>Appendix 5 – Local Plan Part 2 Housing Trajectory</i></b><br><i>Insert new appendix, including graph shown on the following page, to read:</i><br><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><br><br><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> |
| MM28 | -   | Policy GT01, page 53 | <b><i>Policy GT01: Land South of The Plough</i></b><br><i>Add to criterion (a) to read:</i><br><u>Station Road, including provision of a dedicated pedestrian path connecting the entrance of the site to the nearest bus stop serving the site.</u>  |

*Graph to accompany new text in MM27*

**Housing Trajectory outside the SDNP as at 1 April 2019**



**LEWES DISTRICT LOCAL PLAN PART 2: SITE  
ALLOCATIONS AND DEVELOPMENT  
MANAGEMENT POLICIES**

**Adoption Version**

**This document can be made available in large print, audiotape, disc, or in another language upon specific request.**

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# CONTENTS

## Section

|  |    |
|--|----|
| 1. INTRODUCTION .....                    | 5  |
| 2. RESIDENTIAL SITE ALLOCATIONS .....    | 12 |
| 3. EMPLOYMENT SITE ALLOCATIONS.....      | 59 |
| 4. DEVELOPMENT MANAGEMENT POLICIES ..... | 68 |

## Tables

|   |    |
|---|----|
| Table 1 Housing requirement numbers of Spatial Policy 1.....      | 12 |
| Table 2 Housing requirement outside the National Park .....       | 12 |
| Table 3 Planned level of housing, outside the National Park ..... | 13 |
| Table 4 Growth identified in Local Plan Part 2 .....              | 15 |
| Table 5 Allocation requirements for Local Plan Part 2 .....       | 15 |

## Figures

|  |    |
|--|----|
| Figure 1 Local Plan Part 2 Plan Area .....   | 6  |
| Figure 2 Housing delivery through LPP2 or neighbourhood plans .....                            | 17 |
| Figure 3 South of Valley Road housing site allocation .....                                    | 20 |
| Figure 4 Land at The Marina housing site allocation.....                                       | 23 |
| Figure 5 Land at the Nuggets, Valebridge Road housing site allocation .....                    | 28 |
| Figure 6 Barcombe Cross housing site allocations .....   | 37 |
| Figure 7 Glendene, Station Road housing site allocation.....                                   | 40 |
| Figure 8 Layden Hall, East Grinstead Road housing site allocation.....                         | 43 |
| Figure 9 Land adjacent to Mill Lane housing site allocation .....                              | 47 |
| Figure 10 Caburn Field housing site allocation .....   | 52 |
| Figure 11 Land south of The Plough, Gypsy and Traveller site allocation.....                   | 57 |
| Figure 12 Land at East Quay employment site allocation .....                                   | 64 |
| Figure 13 Land adjacent to American Express Community Stadium employment site allocation ..... | 67 |

## Appendices

|   |     |
|---|-----|
| Appendix 1: Glossary .....                            | 116 |
| Appendix 2: Superseded 2003 Local Plan Policies ..... | 125 |
| Appendix 3: Saved 2003 Local Plan Policies .....      | 127 |
| Appendix 4: Monitoring Framework.....                 | 128 |
| Appendix 5: Housing Trajectory .....                  | 130 |

# INDEX OF POLICIES

## Residential Site Allocations

|   |    |
|---|----|
| Policy NH01 - South of Valley Road.....                     | 20 |
| Policy NH02 - Land at The Marina .....                      | 22 |
| Policy BH01 - Land at The Nuggets, Valebridge Road.....     | 27 |
| Policy BA01 - Land at Hillside Nurseries, High Street ..... | 31 |
| Policy BA02 - Land adjacent to the High Street .....        | 33 |
| Policy BA03 - Land at Bridgelands .....                     | 35 |
| Policy CH01 - Glendene, Station Road .....                  | 39 |
| Policy CH02 - Layden Hall, East Grinstead Road .....        | 42 |
| Policy CH03 - Land adjacent to Mill Lane.....               | 44 |
| Policy RG01 - Caburn Field.....                             | 49 |
| Policy GT01 - Land south of The Plough .....                | 56 |

## Employment Site Allocations

|  |    |
|--|----|
| Policy E1: Land at East Quay, Newhaven Port .....                            | 63 |
| Policy E2: Land Adjacent to American Express Community Stadium, Falmer ..... | 66 |

## Spatial Strategy

|   |    |
|---|----|
| Policy DM1: Planning Boundary .....                                     | 69 |
| Policy DM2: Rural Exception Sites .....                                 | 71 |
| Policy DM3: Accommodation for Agricultural and Other Rural Workers..... | 72 |
| Policy DM4: Residential Conversions in the Countryside.....             | 75 |
| Policy DM5: Replacement Dwellings in the Countryside .....              | 76 |
| Policy DM6: Equestrian Development .....                                | 77 |
| Policy DM7: Institutional Sites .....                                   | 78 |

## Improving Access to Housing

|  |    |
|--|----|
| Policy DM8: Residential Sub-Divisions and Shared Housing ..... | 79 |
|--|----|

## Promoting Sustainable Economic Growth and Regeneration

|   |    |
|---|----|
| Policy DM9: Farm Diversification .....                          | 81 |
| Policy DM10: Employment Development in the Countryside .....    | 83 |
| Policy DM11: Existing Employment Sites in the Countryside ..... | 84 |
| Policy DM12: Caravan and Camping Sites .....                    | 85 |
| Policy DM13: Existing Visitor Accommodation .....               | 86 |

## Creating Healthy, Sustainable Communities

|   |    |
|---|----|
| Policy DM14: Multi-functional Green Infrastructure .....            | 88 |
| Policy DM15: Provision for Outdoor Playing Space .....              | 89 |
| Policy DM16: Children's Play Space in New Housing Development ..... | 90 |
| Policy DM17: Former Lewes/Sheffield Park Railway Line.....          | 90 |
| Policy DM18: Recreation and Rivers.....                             | 91 |



**Protecting and Enhancing the Distinctive Quality of the Environment**

Policy DM19: Protection of Agricultural Land ..... 92  
Policy DM20: Pollution Management..... 93  
Policy DM21: Land Contamination ..... 93  
Policy DM22: Water Resources and Water Quality ..... 95  
Policy DM23: Noise ..... 96  
Policy DM24: Protection of Biodiversity and Geodiversity ..... 100  
Policy DM25: Design ..... 101  
Policy DM26: Refuse and Recycling ..... 103  
Policy DM27: Landscape Design.....104  
Policy DM28: Residential Extensions ..... 105  
Policy DM29: Garages and other buildings ancillary to existing dwellings ..... 107  
Policy DM30: Backland Development ..... 108  
Policy DM31: Advertisements ..... 108  
Policy DM32: Telecommunications Infrastructure ..... 109  
Policy DM33: Heritage Assets ..... 111  
Policy DM34: Areas of Established Character..... 112

**Sustainable Travel**

Policy DM35: Footpath, Cycle and Bridleway Network..... 113  
Policy DM36: Station Parking ..... 113  
Policy DM37: Former Lewes to Uckfield railway line ..... 114

# 1. **INTRODUCTION**

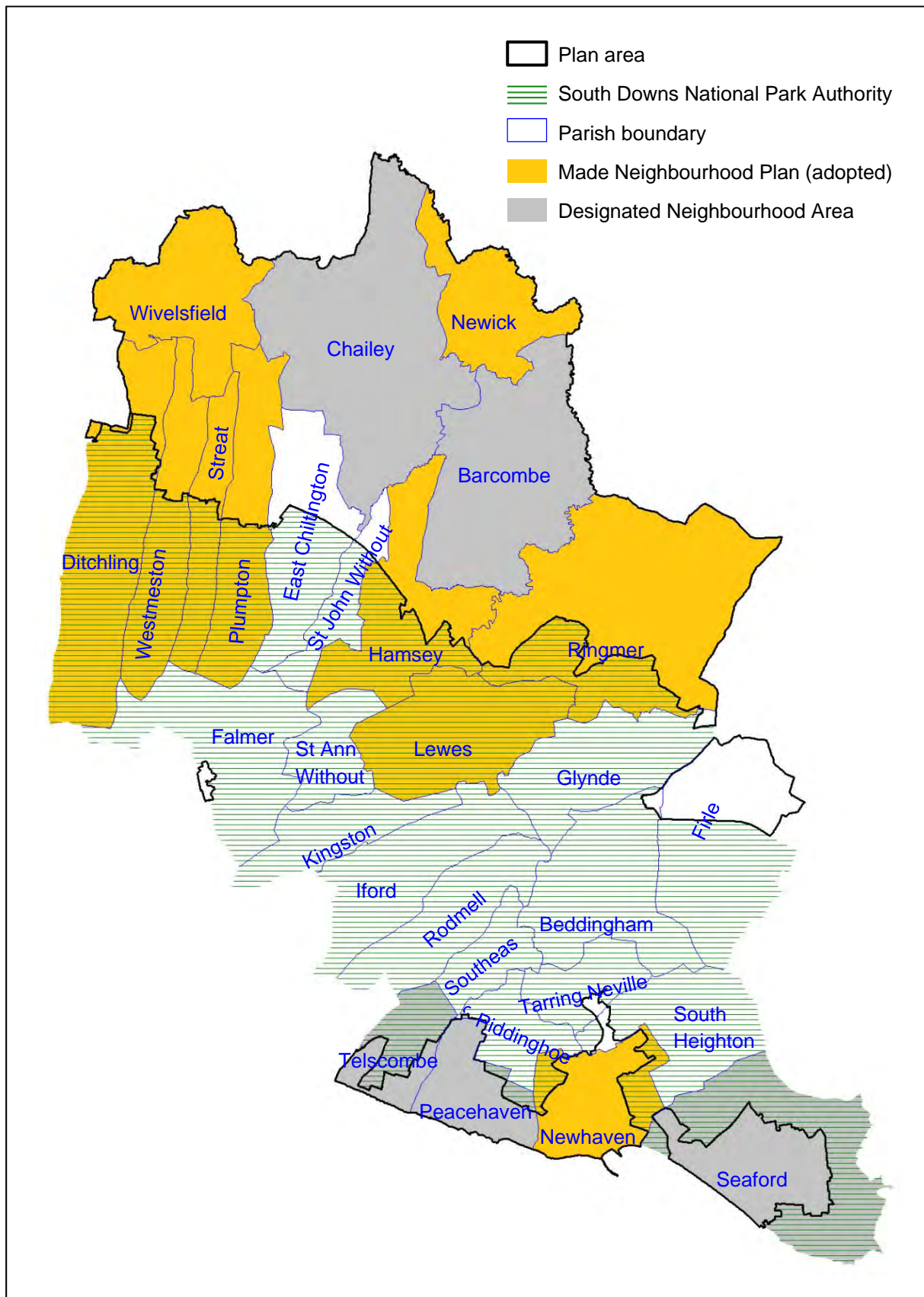
## **What is the Lewes District Local Plan?**

- 1.1. The Lewes District Local Plan forms part of the approved development plan for the area and comprises two documents:
  - Local Plan Part 1: Joint Core Strategy 2010-2030
  - Local Plan Part 2: Site Allocations and Development Management Policies
  
- 1.2. The primary document is the Local Plan Part 1, which is a strategic level plan for the whole district. This sets out the long term vision and objectives of the Council and provides a strategic policy framework to guide development and change in the period to 2030. It identifies the spatial strategy for the district by allocating levels of housing growth to settlements within the district and it also contains a number of strategic, large-scale site allocations for development. The Local Plan Part 1 was adopted by Lewes District Council on 11 May 2016 and the South Downs National Park Authority on 23 June 2016.

## **What is the Local Plan Part 2?**

- 1.3. The Local Plan Part 2: Site Allocations and Development Management Policies comprises the second of the Local Plan documents. It supports and seeks to deliver the strategic objectives and spatial strategy of the Local Plan Part 1 by:
  - allocating additional sites to meet development growth identified in Local Plan Part 1
  - setting out detailed (non-strategic) development management policies to guide development and change
  
- 1.4. Importantly, the Local Plan Part 2 only applies to the area of Lewes district covered by the Lewes District Planning Authority (i.e. excluding the area within South Downs National Park). This is shown in Figure 1. The South Downs Local Plan, adopted by the South Downs National Park Authority (SDNPA) in 2019, now supersedes the Local Plan Part 1 for the area of Lewes District within the National Park. For further information, visit [www.southdowns.gov.uk](http://www.southdowns.gov.uk).

Figure 1 Local Plan Part 2 Plan Area



## **What is the role of Neighbourhood Plans?**

- 1.5. Neighbourhood plans were introduced in 2012 by the Localism Act. A fundamental principle of neighbourhood planning is that it is community-led, with the community establishing local planning policies for development and use of land within its neighbourhood. Neighbourhood plans enable local people to play a leading role in responding to the needs and priorities of the local community. A neighbourhood plan must be in general conformity with the relevant local plan and can promote more, but not less, development than the local plan.
- 1.6. In Lewes District, the appropriate bodies for producing neighbourhood plans are the Town and Parish Councils. They can set out specific planning policies for their areas and allocate sites for development, thereby supporting the strategic development needs identified in the Local Plan Part 1. A neighbourhood plan attains the same legal status as the Local Plan once it has been approved at a local referendum. At this point it comes into force as part of the statutory development plan and will be used to assess and determine planning applications within the designated neighbourhood area.
- 1.7. Within the area covered by the Local Plan Part 2, seven neighbourhood plans have been 'made' (adopted) and five towns or parishes have been formally designated as neighbourhood areas for the purpose of preparing neighbourhood plans. These are illustrated in Figure 1. Where a town or parish council is developing a neighbourhood plan that will include site allocations for specific uses, the District Council has not allocated sites or identified site specific policies in the Local Plan Part 2.
- 1.8. Until neighbourhood plans for designated neighbourhood areas have been approved at referendum, the 'saved' policies in the Lewes District Local Plan 2003, that are specifically applicable to these designated areas, will continue to form part of the development plan for the area.

## **How was the Local Plan Part 2 prepared?**

### Consultation

- 1.9. The process of preparing the Local Plan Part 2 was divided into a number of specific stages, which are identified in the timetable below:

## Stages of the Local Plan Part 2 preparation

|   |                |
|---|----------------|
| Issues & Options Topic Papers           | Winter 2013/14 |
| Consultation Draft Plan                 | Winter 2017/18 |
| Pre-Submission Consultation             | Autumn 2018    |
| Formal Submission to Secretary of State | December 2018  |
| Examination in Public Hearings          | April 2019     |
| Consultation on Proposed Modifications  | Summer 2019    |
| Adoption                                | February 2020  |

- 1.10. As can be seen from the timetable above, a number of formal consultation stages were undertaken during the preparation of the Plan. Firstly, *Issues & Options Topic Papers* were published for public consultation over an 8 week period in 2013/14. These Topic Papers were followed by the *Consultation Draft Local Plan Part 2*, published for public consultation over an 8 week period in 2017/18. The views expressed on these consultation documents, together with engagement with key external stakeholders, were important influences on the preparation of the *Pre-Submission Local Plan Part 2*, published for consultation over a 6 week period in 2018.
- 1.11. The Council has published a background paper that identifies the main issues raised during the consultation on the *Issues & Options Topic Papers* and how the views expressed influenced the Consultation Draft Plan<sup>1</sup>. A background paper has also been published that provides details of the consultation undertaken on the *Consultation Draft Plan*, a summary of the main issues raised by the representations received, and how the Council addressed those issues in the *Pre-Submission Plan*<sup>2</sup>.
- 1.12. The Council submitted the Local Plan Part 2 to the Secretary of State for examination in December 2018. Public hearings were held to discuss issues raised by the public and other stakeholders in April 2019. Following the examination in public hearings, the Council published *Main Modifications* for consultation over a 6 week period in July and August 2019. All representations received were submitted to the Secretary of State.

### Duty to Co-operate

- 1.13. The NPPF requires local planning authorities to work collaboratively to address strategic priorities and development requirements across local boundaries. The District Council and the National Park Authority

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<sup>1</sup> LPP2 Topic Papers Summary of Representations available at [www.lewes-eastbourne.gov.uk](http://www.lewes-eastbourne.gov.uk)

<sup>2</sup> Consultation Draft LPP2 Summary of Representations available at [www.lewes-eastbourne.gov.uk](http://www.lewes-eastbourne.gov.uk)

demonstrated how the 'Duty to Co-operate' requirements were met during the preparation of the Local Plan Part 1, adopted in 2016<sup>3</sup>.

- 1.14. In terms of strategic issues, the District Council continues to actively participate in the East Sussex Strategic Planning Members Group and the West Sussex and Greater Brighton Strategic Planning Board. The aim of the Strategic Planning Board is to address the unmet housing need across this part of the region through commissioning work to assess the options for provision of housing and infrastructure at the sub regional strategic scale. This work is now fully scoped and agreed by the Board. Commissioning the individual studies is imminent, with outputs expected in 2019/2020. Outputs will, therefore, be timely for informing the 5-year review of the Local Plan Part 1 (by 2021).
- 1.15. The only significant cross-boundary issue that remains to be addressed through the preparation of the Local Plan Part 2 is planning to meet the accommodation needs of Gypsies, Travellers and Travelling Showpeople (see paras. 2.138 – 2.141). A Statement of Common Ground<sup>4</sup> has been prepared between the SDNPA and Lewes District Council to identify and address the unmet need within the district, which has now been substantially reduced through the Submission Local Plan Part 2.
- 1.16. Since the adoption of the Local Plan Part 1 a further strategic cross-boundary issue materialised in relation to the Ashdown Forest. The issue concerns the combined effects of neighbouring Local Plans on air quality at the Forest. In response to this issue an extensive Working Group was established; membership includes the SDNPA, Lewes District Council, Wealden District Council, Eastbourne Borough Council, Tunbridge Wells Borough Council, Mid Sussex District Council, Tandridge District Council, Crawley Borough Council, Sevenoaks District Council, Rother District Council, East Sussex County Council (as the relevant Minerals and Waste Planning Authority), West Sussex County Council and Natural England. A Statement of Common Ground<sup>5</sup> has been prepared in support of this issue.

### Evidence Base

- 1.17. The preparation of the Local Plan Part 2 has drawn on earlier evidence gathered during the Local Plan Part 1 process, in addition to further evidence-based assessments. As the policies and allocations contained in

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<sup>3</sup> Update on the Duty to Cooperate Statement (October 2015) available at [www.lewes-eastbourne.gov.uk](http://www.lewes-eastbourne.gov.uk)

<sup>4</sup> Available on the Lewes District Local Plan Part 2 Examination web page <https://www.lewes-eastbourne.gov.uk/planning-policy/local-plan-part-2-examination/>

<sup>5</sup> 1<sup>st</sup> iteration available on the SDNPA Local Plan Examination webpage <https://www.southdowns.gov.uk/wp-content/uploads/2018/04/SDLP-14-Ashdown-Forest-SCG.pdf>

this document flow from the overarching development strategy and strategic policies of the Local Plan Part 1, they will have the same time horizon and largely the same evidence base. There are two notable updates to the Local Plan Part 1 evidence base: the 2018 Strategic Housing and Economic Land Availability Assessment (SHELAA) and the Habitat Regulations Assessment Addendum 2018, relating specifically to the Plan's effects on air quality in relation to the Ashdown Forest<sup>6</sup>.

## **Sustainability Appraisal**

- 1.18. Sustainability Appraisal (SA) is a tool which is used to inform decision making by identifying from an early stage the potential social, economic and environmental impacts of plans and strategies. The process incorporates the requirements of the Strategic Environmental Assessment (SEA) Directive. The Local Plan Part 2 has been developed and refined using SA to test options against a set of sustainability objectives to see how well they might achieve sustainable development and thereby inform choice. Where possible the scope of the SA has been updated to reflect the area of the district that the Local Plan Part 2 relates to. In order to ensure consistency, the same sustainability objectives have been used to inform both the preparation of the Local Plan Part 1 and Part 2. Information on the reasonable alternative options that have been considered and discounted in favour of the Local Plan Part 2 policies contained herein, are set out in the Local Plan Part 2 Sustainability Appraisal Report, which is published alongside this document.

## **Habitats Regulations Assessment**

- 1.19. The local planning authority is required to ensure that the policies and proposals contained within its local plan will not have a Likely Significant Effect on Sites of European and International Importance (European Sites) such as Special Areas of Conservation (SACs), Special Protection Areas (SPAs) and Ramsar sites (internationally important wetlands). A Likely Significant Effect must be established both in terms of the individual plan and of the plan in combination with other policies and proposals, such as the local plans of neighbouring authorities'. Where a Likely Significant Effect cannot be ruled out, an "Appropriate Assessment" is carried out under the Conservation of Habitats and Species Regulations 2017, commonly known as the 'Habitat Regulations'. The Habitat Regulations Assessment published

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<sup>6</sup> These, and other, background documents are available at [www.lewes-eastbourne.gov.uk](http://www.lewes-eastbourne.gov.uk)

alongside this document<sup>7</sup> constitutes a number of individual reports and addendums that demonstrate that only 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.

- 1.20 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 the Local Plan Part 1 or 2, either alone or in combination with other plans and projects.

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<sup>7</sup> HRA documents are available at [www.lewes-eastbourne.gov.uk](http://www.lewes-eastbourne.gov.uk)



## 2. RESIDENTIAL SITE ALLOCATIONS

### Housing Policy Context

- 2.1. Spatial Policies 1 and 2 of the Local Plan Part 1 set the level and distribution of housing growth to be delivered over the Plan period, 2010 to 2030. As the Local Plan Part 2 applies only to the area of the district outside the South Downs National Park (National Park), the housing requirement has been separated to the relevant local planning authority area.
- 2.2. Taking all figures as minimums, Spatial Policy 1 identifies a housing requirement of 6,900 net additional dwellings (345 dwellings per annum), however in its totality Spatial Policy 2 adds up to 6,926 net dwellings. In separating the 6,926 housing figure, the proportion of housing to be delivered outside the National Park is then 5,494 net additional dwellings (275 dwellings per annum), as illustrated in Table 1 below.

**Table 1 Housing requirement numbers of Spatial Policy 1**

| <b>Separated housing number table</b>         |                                   |
|---|-----------------------------------|
| <b>Plan</b>                                   | <b>Housing requirement figure</b> |
| Local Plan Part 1                             | 6,926                             |
| Local Plan Part 1 (outside the National Park) | 5,494                             |
| South Downs National Park Local Plan          | 1,432                             |

- 2.3. Of the 5,494 dwellings to be delivered outside the National Park part of this total is already met or identified, as illustrated in the Table 2 below.

**Table 2 Housing requirement outside the National Park**

| <b>Housing requirement and supply (outside the National Park)</b> |              |
|---|--------------|
| <b>Local Plan Part 1 housing requirement</b>                      | <b>5,494</b> |
| Built or committed, as at 1 April 2015                            | 2,216        |
| Housing supply from strategic allocations                         | 1,073        |
| Supply from windfall allowance                                    | 468          |
| Supply from rural exception sites allowance                       | 77           |
| <b>Residual requirement outside the National Park</b>             | <b>1,660</b> |

- 2.4. The residual figure of 1,660 net additional dwellings forms the basis for the housing allocations identified within the Local Plan Part 2 and neighbourhood plans, as illustrated in Table 3 below.
- 2.5. Table 3 also sets out: firstly, the level and distribution of housing growth, as outlined in Spatial Policy 2, for settlements outside the National Park; secondly, the housing growth that has been identified (shaded yellow) or will be delivered (shaded blue) through neighbourhood plans; and lastly, the residual housing growth that the Local Plan Part 2 will identify (shaded pink).

**Table 3 Planned level of housing, outside the National Park (2019)**

| Settlement                                       | SP2 Planned housing growth | Neighbourhood Plan housing (adopted and emerging) | Residual housing growth to be identified in LPP2 |
|--|----------------------------|---|--|
| Newhaven   | 425                        | 425   | -  |
| Peacehaven & Telscombe                           | 255                        | 255   | -  |
| Seaford  | 185                        | 185   | -  |
| Edge of Burgess Hill (within Wivelsfield Parish) | 100                        | 0   | 100  |
| Barcombe Cross                                   | 30                         | 0   | 30   |
| North Chailey                                    | 30                         | 0   | 30   |
| South Chailey                                    | 10                         | 0   | 10   |
| Cooksbridge                                      | 30                         | 0   | 30   |
| Newick   | 100                        | 100   | -  |
| Plumpton Green                                   | 50                         | 68  | -  |
| Ringmer & Broyle Side                            | 215                        | 183   | 32   |
| Wivelsfield Green                                | 30                         | 34  | -  |
| To be determined                                 | 200                        | -   | 200  |
| <b>Total</b>                                     | <b>1,660</b>               | <b>1,250</b>                                      | <b>432</b>                                       |

| KEY |  |
|-----|--|
|     | Housing growth to be delivered through neighbourhood plans |
|     | Housing growth identified in 'made' neighbourhood plans    |
|     | Housing growth identified in Local Plan Part 2             |

- 2.6. To help meet the 1,660 dwelling figure, a number of neighbourhood plans identify, or will identify, housing allocations. Housing growth at Newhaven, Newick, Plumpton Green, Ringmer and Wivelsfield Green is planned for

through their respective 'made' neighbourhood plans (shaded yellow). Neighbourhood plans are currently progressing and will identify the housing growth for the following settlements (shaded blue):

- Peacehaven and Telscombe;
- Seaford.

The Local Plan Part 2 is therefore required to identify the planned housing growth at the remaining settlements of Edge of Burgess Hill (within Wivelsfield Parish), North Chailey, South Chailey, Barcombe Cross and Cooksbridge.

- 2.7. In areas where an emerging neighbourhood plan is identifying housing allocations, it is anticipated that it will meet the minimum requirement set out in Spatial Policy 2. It should be borne in mind that figures contained within Spatial Policy 2 are expressed as minimums and where appropriate growth should exceed this minimum figure.
- 2.8. Of the 1,660 total net additional dwellings 1,250 are identified, or being planned for, in 'made' and emerging neighbourhood plans. There is a small difference of 32 dwellings within the Ringmer Neighbourhood Plan once the overlap with commitments in Local Plan Part 1 (Table 5, p53) and the strategic allocation Spatial Policy 6: Land north of Bishops Lane, has been taken into account. A detailed explanation is provided within the Ringmer and Broyle Side section (paragraphs 2.123 to 2.126).
- 2.9. Overall, the 'made' neighbourhood plans have together exceeded their total minimum housing requirements by 22 net additional dwellings. The two emerging neighbourhood plans (which intend to deliver housing allocations) will collectively be required to deliver a minimum 440 net additional dwellings.
- 2.10. To satisfy the requirements of Spatial Policy 2 and respect the differences within certain 'made' neighbourhood plans, the Local Plan Part 2 should identify 432 net additional dwellings. Of these 432 dwellings, 305 have come forward since April 2015 and are either now built or committed as planning approvals as shown in Table 4 below.

**Table 4 Growth identified in Local Plan Part 2**

| Settlement                                       | Committed/ Delivered since April 2015 | To be allocated in LPP2 |
|--|---------------------------------------|-------------------------|
| Edge of Burgess Hill (within Wivelsfield Parish) | 81                                    | 19                      |
| Barcombe Cross                                   | 0                                     | 30                      |
| North Chailey                                    | 14                                    | 16                      |
| South Chailey                                    | 0                                     | 10                      |
| Cooksbridge                                      | 27                                    | 3                       |
| Ringmer & Broyle Side                            | 0                                     | 32                      |
| To be determined                                 | 183                                   | 17                      |
| <b>Total</b>                                     | <b>305</b>                            | <b>127</b>              |

2.11. The Local Plan Part 2 is therefore required to deliver a minimum 127 net additional dwellings. Table 5 below shows that, overall, Local Plan Part 2 is meeting the minimum required figures.

**Table 5 Allocation requirements for Local Plan Part 2**

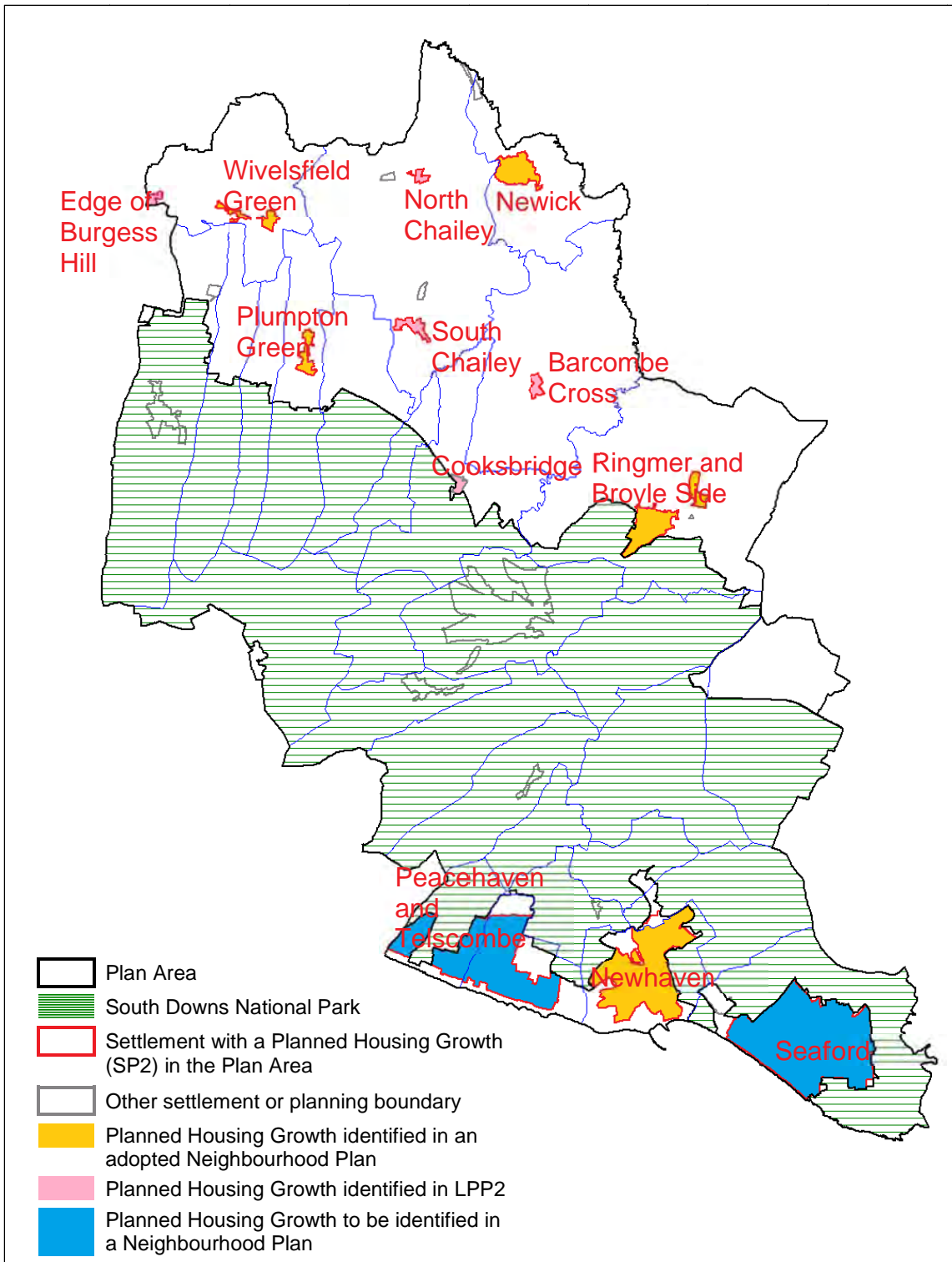
| Settlement                                       | Housing growth to be identified in LPP2 | Units allocated in LPP2 |
|--|---|-------------------------|
| Edge of Burgess Hill (within Wivelsfield Parish) | 19                                      | 14                      |
| Barcombe Cross                                   | 30                                      | 42                      |
| North Chailey                                    | 16                                      | 16                      |
| South Chailey                                    | 10                                      | 10                      |
| Cooksbridge                                      | 3                                       | 0                       |
| Ringmer and Broyle Side                          | 32                                      | 50                      |
| To be determined                                 | 17                                      | 0                       |
| <b>Total</b>                                     | <b>127</b>                              | <b>132</b>              |

2.12. With regards to the 200 net additional dwellings in locations 'to be determined', as illustrated in Table 3, a total of 183 have now been committed (see Table 4). Following the adoption of the Local Plan Part 1 a large, previously unidentified, site in Seaford town was granted outline planning permission for 183 dwellings at the former Newlands School<sup>8</sup>.

<sup>8</sup> LW/16/0800: Redevelopment of former Newlands School for up to 183 residential dwellings, including up to 40% affordable housing, provision of a sports pitch and ancillary changing rooms, public open space, a children's play area, parking and landscaping.

- 2.13. This site was first identified as a potential deliverable site within the 2015 Strategic Housing and Economic Land Assessment (SHELAA). This was subsequent to the strategic site allocations and the levels of planned housing growth for settlements established in Local Plan Part 1. As such, it is considered appropriate for the site to contribute towards the residual 200 units.
- 2.14. Figure 2 below illustrates where planned housing growth is being delivered either through 'made' or emerging neighbourhood plans or Local Plan Part 2.

**Figure 2 Housing delivery through Local Plan Part 2 (LPP2) or neighbourhood plans**



2.15. Where neighbourhood plans have not identified, or do not intend to identify, sites for housing, allocations are set out below.

2.16. Ensuring that the emerging neighbourhood plans progress in a timely manner has been important to contributing towards achieving the objectives

and requirements of Local Plan Part 1. A timetable of the key milestones of preparation, for each emerging neighbourhood plan, forms part of the Monitoring Framework for the Local Plan Part 2.

*Mechanism for reviewing the Council's approach to neighbourhood planning*

The Council will closely monitor the progress of the neighbourhood plans. Should any concerns arise regarding timings then the Council will consider what, if any, measures are needed to resolve the issue(s). These measures might include provision of additional support or the Council recovering the role of identifying allocations through a subsequent development plan document or a future review of the Local Plan.

## **Housing Site Allocations**

- 2.17. This section sets out the proposed housing site allocations intended to contribute towards delivering the minimum level of housing identified in Spatial Policy 2 of Local Plan Part 1, not already met by 'made' or emerging neighbourhood plans. The order of allocations follows the settlement order in Spatial Policy 2 of Local Plan Part 1 and as set out in Table 2 of this document.
- 2.18. Planning boundaries have only been amended on the Policies Map where site allocations identified within this document and 'made' neighbourhood plans are adjacent to an existing planning boundary. A comprehensive review of the planning boundaries will be undertaken as part of a future review of Local Plan Part 1.
- 2.19. Three of the 'saved' housing allocations from the 2003 Lewes District Local Plan that formed part of the commitments for the Local Plan Part 1 Spatial Policy 2, have been reviewed through Local Plan Part 2. This is because they have not, or will not be, picked by a neighbourhood plan. Those 2003 allocations are: South of Valley Road, Newhaven (NH4); Land at the Marina, Newhaven (NH6) and Caburn Field, Ringmer (RG1).
- 2.20. Such a review is considered critical to the delivery of the Development Plan, as a whole, due to the inclusion of these allocations or permissions associated with them (totalling 395) within the commitment figure (1,558) within Spatial Policy 2. As these 'saved' allocations and figures are existing commitments they do not contribute to Spatial Policy 2's settlement figures within Part (2); planned housing growth. The review of these allocations includes necessary amendments to the policy wording to reflect any material changes in circumstance and/ or policy.

- 2.21. The revised 2003 site allocations are identified within the relevant settlement sections below and any resultant uplift in dwellings numbers, over and above the commitments accounted for in Spatial Policy 2, has been identified within Table 4 above (i.e. Ringmer and Broyle Side).
- 2.22. Whilst the site allocations identified in this document establish the principle of development, planning permission must still be obtained through the planning application process. Planning applications will be determined in accordance with the development plan, including Core Policies of the Local Plan Part 1, Site Allocation and Development Management (DM) policies of the Local Plan Part 2, and policies contained within neighbourhood plans where sufficient weight can be given. Other relevant plans, such as the East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan, will also be given appropriate consideration at the time.

## Towns

### Newhaven

- 2.23. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 425 net additional dwellings to be provided within the settlement of Newhaven.
- 2.24. The 'made' Newhaven Neighbourhood Plan identifies housing sites with the potential to deliver 465 net additional dwellings, which meets the identified planned level of growth over the Local Plan period. The District Council is therefore not proposing any new housing allocations at Newhaven within Local Plan Part 2.
- 2.25. There are, however, two retained 'saved' 2003 Lewes District Local Plan housing allocations: South of Valley Road and Land at the Marina (also known as West Quay). These sites are deliverable unimplemented housing allocations, included within Newhaven's housing commitment figure<sup>9</sup>, and which continue to contribute to the District's housing supply.
- 2.26. In reviewing the two allocations, amendments have been made to the policy wording to reflect current circumstances of each site, including where a planning permission has previously been granted. Small amendments to the site boundaries have been made to reflect any changes in land availability (i.e. excluding where land has now been developed). Furthermore, with guidance from the Environment Agency, an update has been undertaken to the Flood Risk Assessment which accompanied the 2007 West Quay

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<sup>9</sup> Table 5 of Local Plan Part 1: Joint Core Strategy (2016)



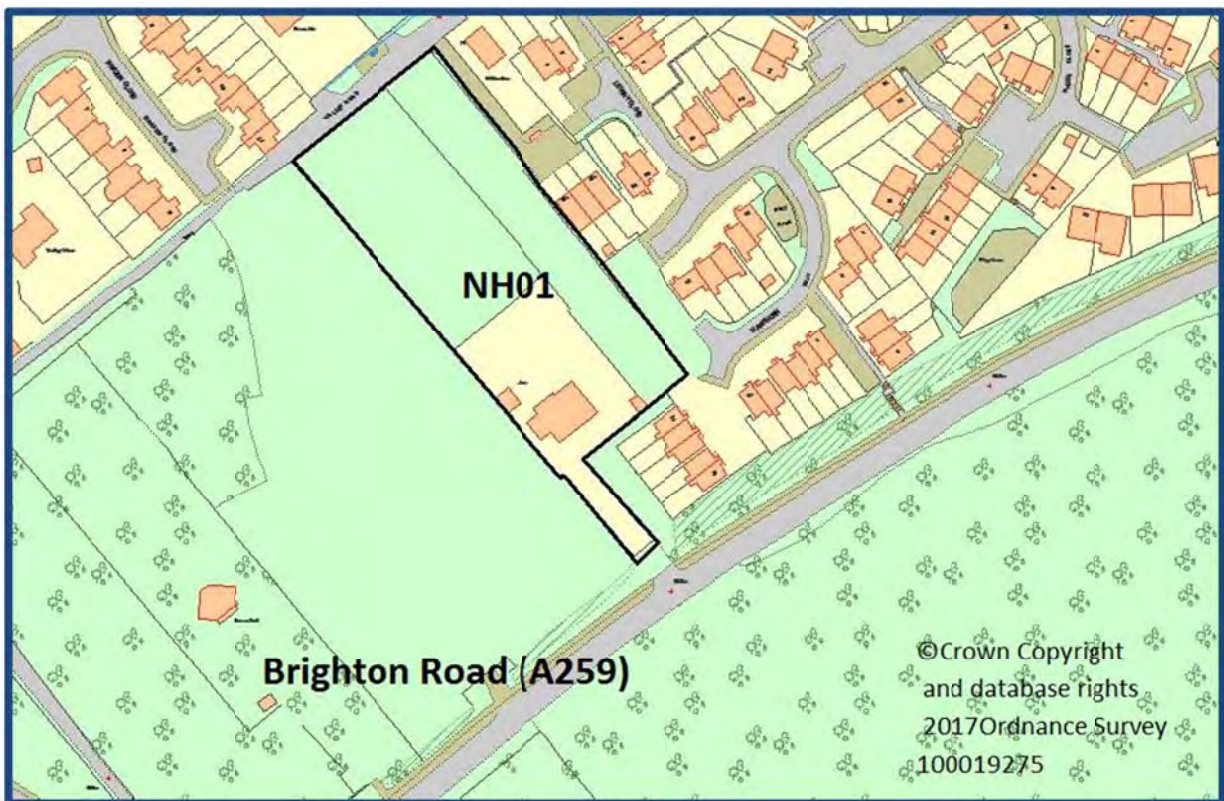
planning application to support the retention of the housing allocation. This can be found as part of the Sustainability Appraisal assessment.

### **Policy NH01 - 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:

- a) Access, including provision for pedestrians and cyclists, to be provided from Valley Road;
- b) 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 the 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.

*Figure 3 South of Valley Road housing site allocation*



- 2.27. The land South of Valley Road is an allocation taken forward from the 2003 Lewes District Local Plan. Part of the original allocation has been constructed, with the north section recently promoted through a planning application. Land to the south west has extant planning permission for 85 units. The area within the NH01 allocation is therefore the remaining area to be brought forward.
- 2.28. The site itself does not form part of a formal biodiversity designation. However, local records indicate presence of slow worm nearby. The site is also a greenfield site close to a Local Wildlife Site (Meeching Down). As such, an ecological impact assessment (EclA) will be required, together with appropriate mitigation, informed by the EclA, to be implemented accordingly.
- 2.29. The site lies within Flood Risk 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.
- 2.30. Any development should respect the visibility of the site from long and short views, from the A259 in particular. In order to provide a development which blends into the existing form of development and landscape, it may be appropriate for some limited excavation to be carried out in the land form.

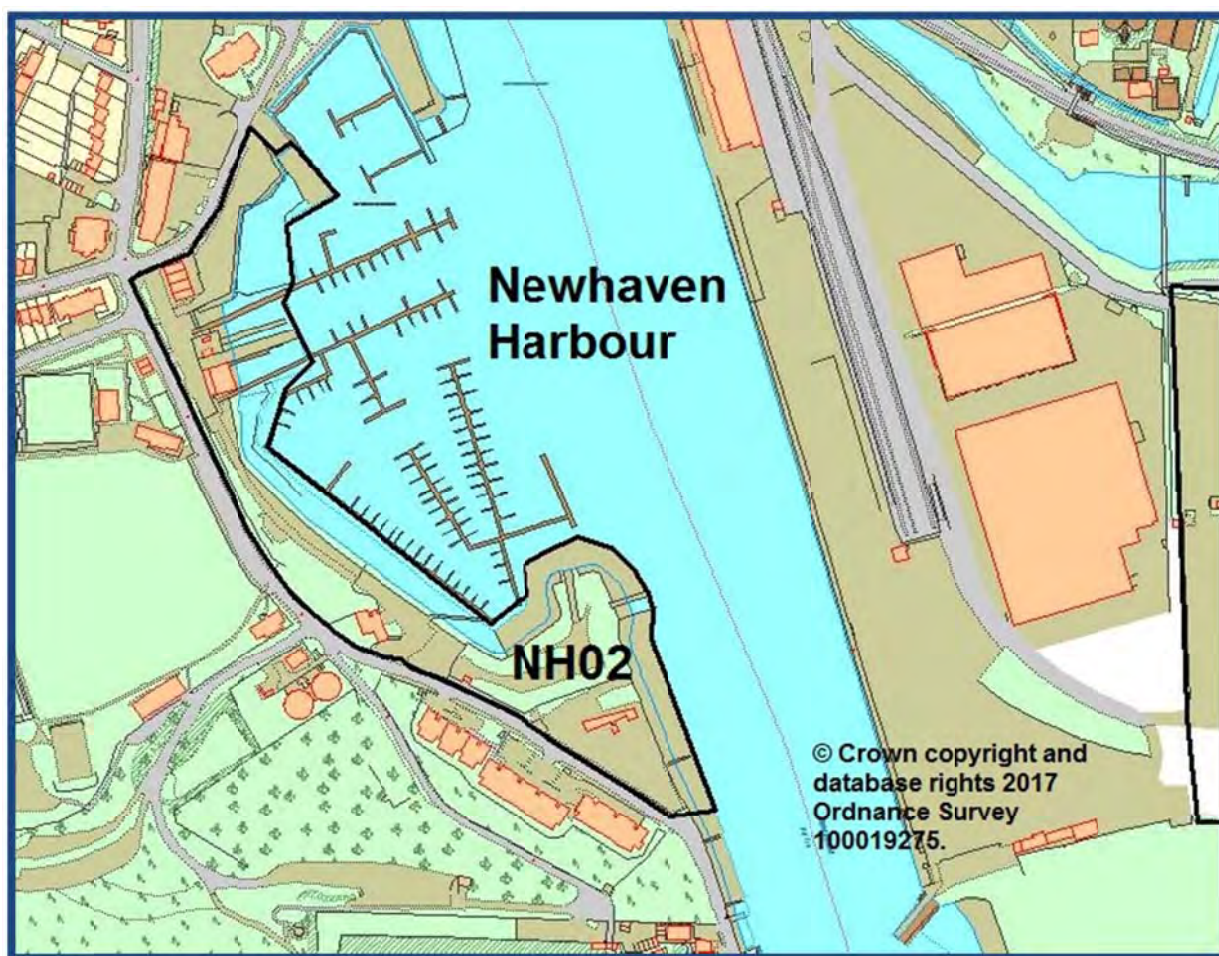
### **Policy NH02 - Land at The Marina**

**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.**

**Figure 4 Land at The Marina housing site allocation**



- 2.31. The Marina site (also known as West Quay) is located south of Newhaven town adjacent to the River Ouse. The site lies in a very prominent position along the Quayside, close to Newhaven Fort (a Scheduled Ancient Monument) and across the river from established industrial uses on Beach Road. It is appreciated that there is scope for the rationalisation of the existing uses within the site, whilst still maintaining the maritime character.
- 2.32. The site is at risk of flooding and, therefore, any development should provide adequate flood defence measures, and associated maintenance, in accordance with current planning guidance.
- 2.33. The Marina fulfils an important role in Newhaven and it is important that such a use is maintained within the site. However, as demonstrated by the
- 2.34. previously approved planning application for 331 dwellings<sup>10</sup>, it is considered that a target minimum of 300 net additional dwellings could also

<sup>10</sup> LW/07/1475: Erection of 319 residential apartments & 12 town houses arranged in 11 blocks (between 3 & 9 storeys high) with car parking; 973sqm of commercial floorspace (including A3

be accommodated within the site. As such, it is considered that with a high quality design development, at a higher density than set out in Core Policy 1, could be acceptable on this site.

- 2.35. The provision of adequate car and trailer parking to serve the users of the Marina is considered as an important operational requirement for the Marina. Therefore, any scheme should ensure that adequate facilities are provided.
- 2.36. The nature of current and historic industrial activities at the development site raises significant potential for contamination to be present, which could adversely impact site users and the environment, including surface and groundwater quality. Pollution to controlled waters may result in contravention of objectives set out within the Water Framework Directive (WFD).
- 2.37. The development should result in no net loss, and seek to provide a net gain to biodiversity, in particular to Habitats of Principal Importance (formerly known as BAP habitats). The indirect impacts of development, such as recreational disturbance, on designated nature conservation sites and other significant habitats must be considered. Appropriate mitigation must be identified, along with the means for its delivery and maintenance.
- 2.38. Where impacts on biodiversity cannot be avoided or mitigated, like-for-like compensatory habitat at or close to the development site will be required, taking account of an up-to-date ecological survey, subject to the agreement with the relevant authorities.
- 2.39. Where loss of habitat occurs due to construction of walkways, moorings or pontoons or from boats resting on intertidal habitat, creation of new like-for-like compensatory habitat will be required.
- 2.40. The policy makes reference to the need for an assessment into potential noise and odour impacts on future residents of the development. Whilst the west bank of the river is predominately residential the east bank has a mix of existing industrial and Port related uses. In addition, Newhaven East Wastewater Treatment Works lies approximately 630m east of the site. Whilst these activities are not seen as an immediate constraint on development they should be considered in the design and layout of future development to help minimise potential impacts on future and existing occupants and businesses.

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restaurant &/or A1 marina related shops; marina facilities (including office, clubroom etc); boat/car park; berths & riverside walkway. Expired 26 July 2015.

- 2.41. 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.
- 2.42. 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 be agreed by the local planning authority prior to construction.

### **Peacehaven & Telscombe**

- 2.43. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 255 net additional dwellings to be provided within the settlements of Peacehaven and Telscombe.
- 2.44. Peacehaven and Telscombe Towns are designated as a single neighbourhood plan area and the Town Councils are looking to progress a neighbourhood plan that will identify housing site allocations to meet their identified level of growth over the Plan period. The Town Councils have undertaken some informal community consultation and are preparing their Regulation 14 document for consultation in late Summer 2019. The District Council will maintain a supporting role as they progress their neighbourhood plan to submission.

### **Seaford**

- 2.45. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 185 net additional dwellings to be provided within the settlement of Seaford.
- 2.46. Seaford Town is designated as a neighbourhood plan area and the Town Council is preparing a neighbourhood plan that will identify housing site allocations to meet their identified level of growth over the Plan period. The Town Council has to date undertaken its Regulation 14 consultation and is advancing technical background work to feed into their next preparation stage. The District Council will maintain a supporting role as they progress their neighbourhood plan to submission.

## **Edge of Burgess Hill (within Wivelsfield Parish)**

- 2.47. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 100 net additional dwellings to be provided within the area of Edge of Burgess Hill (within Wivelsfield Parish). Wivelsfield Parish Council has a 'made' neighbourhood plan which allocates housing only for the settlement of Wivelsfield Green. It is therefore necessary for LPP2 to identify sites for the edge of Burgess Hill.
- 2.48. The 2018 SHELAA, as well as previous Assessments, identified a very limited number of suitable sites to meet the planned level of housing for the Edge of Burgess Hill area. Two of the previous housing site options, land at Medway Gardens (for 27 net additional dwellings) and land rear of The Rosery (for 54 net additional dwellings), have planning permission and are either now complete or under construction. Both developments contribute towards the minimum 100 net additional dwellings required by Spatial Policy 2.
- 2.49. The following site allocation is the remaining identified deliverable site in the 2018 SHELAA at the Edge of Burgess Hill delivering 14 net additional dwellings resulting in a total of 95 net additional dwellings against the minimum 100 requirement in Spatial Policy 2. The shortfall of five net additional dwellings cannot be currently met at the edge of Burgess Hill. However, the shortfall has been balanced by other nearby settlements exceeding their planned housing figure through either site allocations and/ or permitted unidentified sites. Should additional suitable site(s) be identified they will be considered through a future review of the Local Plan or Wivelsfield Neighbourhood Plan.

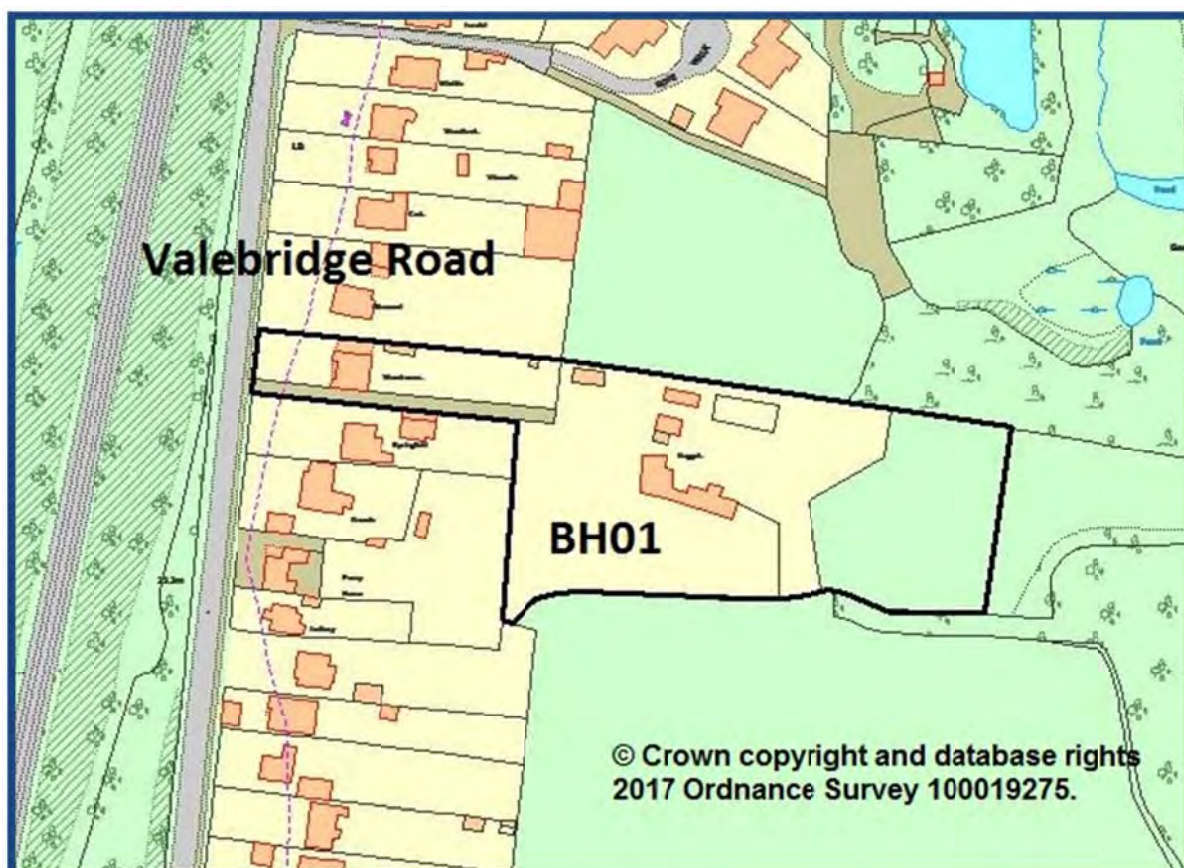
### **Policy BH01 - Land at The Nuggets, Valebridge Road**

**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;**
- g) Appropriate surface water drainage mitigation is agreed with the 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.**



**Figure 5 Land at the Nuggets, Valebridge Road housing site allocation**



- 2.50. This policy allocates land for residential development. The site lies north east of Burgess Hill, east of Valebridge Road, off an existing private track leading to the property called the 'Nuggets'. The site is a relatively large, single plot of land accommodating one property, a small pond and several outbuildings with extensive residential curtilage to the rear. Whilst key services and facilities are not within walking distance, bus services to access the town centre are available within approximately 400m of the site.
- 2.51. Access to the site is currently gained from the private track which serves the 'Nuggets' property. Demolition of the property 'Woodreeves' is needed to enable the required road widths and junction improvements to be achieved, unless other suitable access is established. Whilst the site is predominately in East Sussex County, the junction with Valebridge Road is in West Sussex County. Therefore, issues of access and potential impacts of additional traffic on the local transport network will need to be considered by both county councils as highway authorities.
- 2.52. Existing development along the nearest section of Valebridge Road is largely linear with private tracks providing access to a small number of properties to the rear. However, recent approved developments south of the site will

effectively 'fill out' the areas to the east of Valebridge Road, between the 'Nuggets' and Theobalds Road. Landscape analysis shows that this area has medium/ high capacity for change in landscape sensitivity and value terms. The site itself is well contained by tree shaws leading to more substantial parcels of woodland, providing natural existing mitigation to the surrounding landscape from development.

- 2.53. Much of the site's north and south boundaries are bordered by a group Tree Protection Order (TPO) or sections of Ancient Woodland, which contribute to the local green infrastructure and irreplaceable habitat network supporting local biodiversity. These designations are not seen as a significant constraint on the development of this site but must be properly assessed. As such, an ecological impact assessment, to include a survey of woodland ground flora, and tree surveys, is required. Appropriate mitigation, including at least 15m buffer zones, will need to be implemented to help protect these features against the potential impacts of development.
- 2.54. The site itself does not form part of a formal biodiversity designation. However, local records indicate presence of bats, dormouse, barn owls and reptiles. As such, an ecological impact assessment (EclA) will be required, together with appropriate mitigation, informed by the EclA, to be implemented accordingly.
- 2.55. Whilst the site does not lie within any historical designation, such as an Archaeological Notification Area, the County Archaeologist identifies the site as within an area of medium archaeological potential. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.56. 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.
- 2.57. Southern Water has identified that there are existing combined and foul drainage sewers under the site requiring an easement. However, this is not considered to be a significant constraint to development but will need to be taken into account in the design and layout of any future proposed development.

### Barcombe Cross

- 2.58. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 30 net additional dwellings to be provided within the settlement of Barcombe Cross. Housing site allocations to deliver the minimum are identified below and will deliver approximately 42 net additional dwellings.
- 2.59. Barcombe Parish is designated as a neighbourhood plan area and is at the very early stages of preparing a neighbourhood plan. The Parish Council has decided not to identify housing site allocations within its neighbourhood plan. Therefore, the District Council has identified housing site allocations to meet the housing numbers required at Barcombe Cross. Once the Barcombe Neighbourhood Plan has gained sufficient weight, policies in it will form part of the determination process of future planning applications.
- 2.60. Barcombe Cross is a nucleated settlement largely concentrated at the junction of the High Street, School Hill and Barcombe Mills Road. The village is approximately three and a half miles north of Lewes town and four and a half miles south west of Uckfield, which lies within Wealden District.
- 2.61. At the 2011 Census Barcombe Parish had a population of 1,473. The Parish includes Barcombe Cross and the smaller settlement of Barcombe located to the south of Barcombe Cross. Barcombe Cross has a good range of key services for a village of its size but limited accessibility to public transport. The village is classified as a Service Village within the District Council's Settlement Hierarchy recognising that the some day-to-day needs of residents are met within the village.
- 2.62. Barcombe Cross is located on a ridge giving it an elevated position within the wider landscape. As such, longer views of the Low Weald can be had, particularly to the north and east of the village. The surrounding landscape is predominately formed of medium to larger irregular shaped fields bordered by hedges and trees, characteristic of the Low Wealden landscape. Other notable features are the Bevern Stream which meanders north and east of Barcombe Cross and the now disused Lewes to Uckfield railway line which runs north/ south to the west of the village.
- 2.63. The 2018 SHELAA as well as previous SHELAA documents identified a limited number of suitable sites to meet the planned level of housing for Barcombe Cross. This is due to visually sensitive nature of the landscape surrounding areas adjacent to the village, limiting opportunities for expansion. Nonetheless three sites are proposed for allocation that will

deliver approximately 42 net additional dwellings, 12 above the minimum requirement for the settlement.

#### **Policy BA01 - Land at Hillside Nurseries, High Street**

**This site (0.69ha), as shown on figure 6 below, is allocated for residential development providing approximately 10 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 High Street. Pedestrian links to the existing recreation field to also be provided;**
- b) Development incorporates approximately 1600sqm of public amenity space along the northern boundary to allow for the provision of equipped and informal play space;**
- c) Development respects the character and appearance of the Barcombe Cross Conservation Area;**
- d) Development is subject to an appropriate assessment and evaluation of archaeological potential and mitigation measures implemented accordingly;**
- e) Development is subject to investigation into potential contamination and appropriate mitigation measures agreed with the relevant authority;**
- f) 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; and**
- g) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water.**

- 2.64. This policy allocates land at the former Hillside Nurseries for residential development. This site is located on the western edge of Barcombe Cross village between the property of 'Hillside' and a small private residential development, 'The Grange'.
- 2.65. The site is a medium, flat and relatively enclosed grassed field and forms part of the former nurseries. A number of small derelict buildings are located in the south west corner which will be removed as part of any development. The site is in walking distance of local services and facilities available in the village centre, offering a sustainable location for new development.
- 2.66. The site is currently accessed by a track from the High Street which primarily provides vehicular access to the residential properties of 'Hillside' and 'Vine Sled'. A small number of other adjacent properties have use of access via

the track. Improvements to the junction and track are required to accommodate additional dwellings.

- 2.67. Barcombe Cross currently benefits from a surplus of informal children's play space. However, it has long been recognised that when the pitches at the adjacent Recreation Ground are in use by local teams there is little alternative land suitable for informal play. To address this conflict, the 2003 Lewes District Local Plan allocated approximately 0.4ha of the site as an extension of the Recreation Ground (policy BA1) for informal recreation. The Core Strategy identifies policy BA1 as a retained 'saved' policy recognising the continued pressure between the different users. Further to the above, a shortfall of children's equipped play space is identified by the local community and Council's assessment of outdoor playing space.
- 2.68. This site allocation therefore offers a real opportunity to address and deliver the needed recreation space for the village in a suitable location. The provision of pedestrian links from the existing recreation ground to the new facilities will be essential in order for it to benefit from the adjacent, established recreational uses. To secure the delivery of the needed recreation facilities it is preferable that the land be transferred in a suitable condition (i.e. level and grassed) to Barcombe Parish Council, or suitable management company. The required equipment could then be provided using Community Infrastructure Levy (CIL) contributions.
- 2.69. The site lies within the Barcombe Cross Conservation Area. The Barcombe Cross Conservation Area Appraisal (CAA) highlights that the historic core is focussed at the village crossroads to the east of the site. The village has grown incrementally to the south (Weald View), east (The Grange) and, more recently, north (The Willows). The property adjacent to the site, 'Hillside', is noted within the CAA as one which makes a contribution to the townscape. New development should therefore be of high quality and respect the qualities of the Conservation Area.
- 2.70. Whilst the site does not lie within any historical designation, such as an Archaeological Notification Area, it is within an area of medium archaeological potential. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.

### **Policy BA02 - Land adjacent to the High Street**

**This site (1.24ha), as shown on figure 6 below, is allocated for residential development providing approximately 25 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 High Street;**
- b) Buildings are no more than two storeys in height;**
- c) Development respects the character, appearance and setting of the adjacent Barcombe Cross Conservation Area, including adjacent buildings of historic interest;**
- 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 will also allow for the protection of biodiversity and enhancement where possible;**
- f) Appropriate Flood Risk Assessment, surface water drainage strategy and mitigation is agreed with appropriate body and local planning authority and implemented accordingly; and**
- g) Occupation of the development is phased to align with the delivery of sewerage infrastructure, in liaison with the service provider.**

- 2.71. This policy allocates land for residential development. The site lies at the western edge of Barcombe Cross between Bridgelands and an existing private track leading to the property of 'Hillside'. The site is in walking distance of local services and facilities available in the village centre, offering a sustainable location for new development.
- 2.72. Access to the paddock is currently gained from the track east of the site. This track primarily provides vehicular access to the two residential properties of 'Hillside' and 'Vine Sled'. A small number of other adjacent properties have use of access via the track. An easement on the track provides access to the site. Improvements to the junction and track, if utilised to gain access, are required to accommodate additional dwellings.
- 2.73. The site is a medium sized, grassed field currently used as a paddock. The site slopes up gradually from the main road, High Street, giving a sense of openness. Consequently, it is visually sensitive, particularly when entering the village from the east. Glimpses of the rooftops of 'Hillside' and The Grange residential estate can be seen. However, the site is otherwise

relatively contained from wider surrounding views by existing development to the south and east, by the disused railway embankment to the west and by mature trees to the north. As part of any development, new properties should be set back from the High Street, be no more than two storeys and 'blocks' of development avoided to help retain a sense of transition into the village from the surrounding rural area.

- 2.74. Barcombe Cross Conservation Area borders the site on three sides. The Barcombe Cross Conservation Area Appraisal (CAA) highlights that the historic core is focussed around the crossroads to the east of the site. The residential property 'Willow Cottage' located adjacent to the south west of the site is identified as a building of historic or local interest within the CAA. Careful consideration will need to be given to the design and layout of future development, ensuring any scheme is sensitive to potential landscape impacts and constraints of the local historic environment.
- 2.75. A small corner in the south east part of the site is within an Archaeological Notification Area, noted for its post-medieval hamlet interest and WWII remains. The site also lies in an area of medium archaeological potential. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.76. The site itself does not form part of any formal biodiversity designation. However, slow worms and grass snakes have been recorded on site, these are identified as protected species as well as subject to Biodiversity Action Plan. As such, an ecological impact assessment will be required, together with appropriate mitigation where necessary as informed by the ecological impact assessment.
- 2.77. Although the site is within Flood Zone 1 (the least at risk of flooding), the area to the west of the site 'The Bridgelands' currently experiences issues of surface water flooding. To ensure that the situation is not exacerbated by the development of this site, a site specific flood risk assessment will be required. Any necessary mitigation measures, including appropriate Sustainable Urban Drainage System (SuDs) will need to be implemented to mitigate any risk of surface water flooding resulting from the development.
- 2.78. Southern Water, through modelling the capacity of the local sewerage network, has identified a limited capacity to accommodate increased levels of flow at the practical point of connection in the local sewer. This is not a limit to growth but is highlighted here to indicate that extra work is likely to be required and ensure that this is undertaken at the right time to mitigate the localised risk of sewer flooding.

### **Policy BA03 - Land at Bridgelands**

**This site (0.55ha), as shown on figure 6 below, is allocated for residential development providing approximately 7 net additional dwellings subject to compliance with all appropriate development plan policies and the following criteria:**

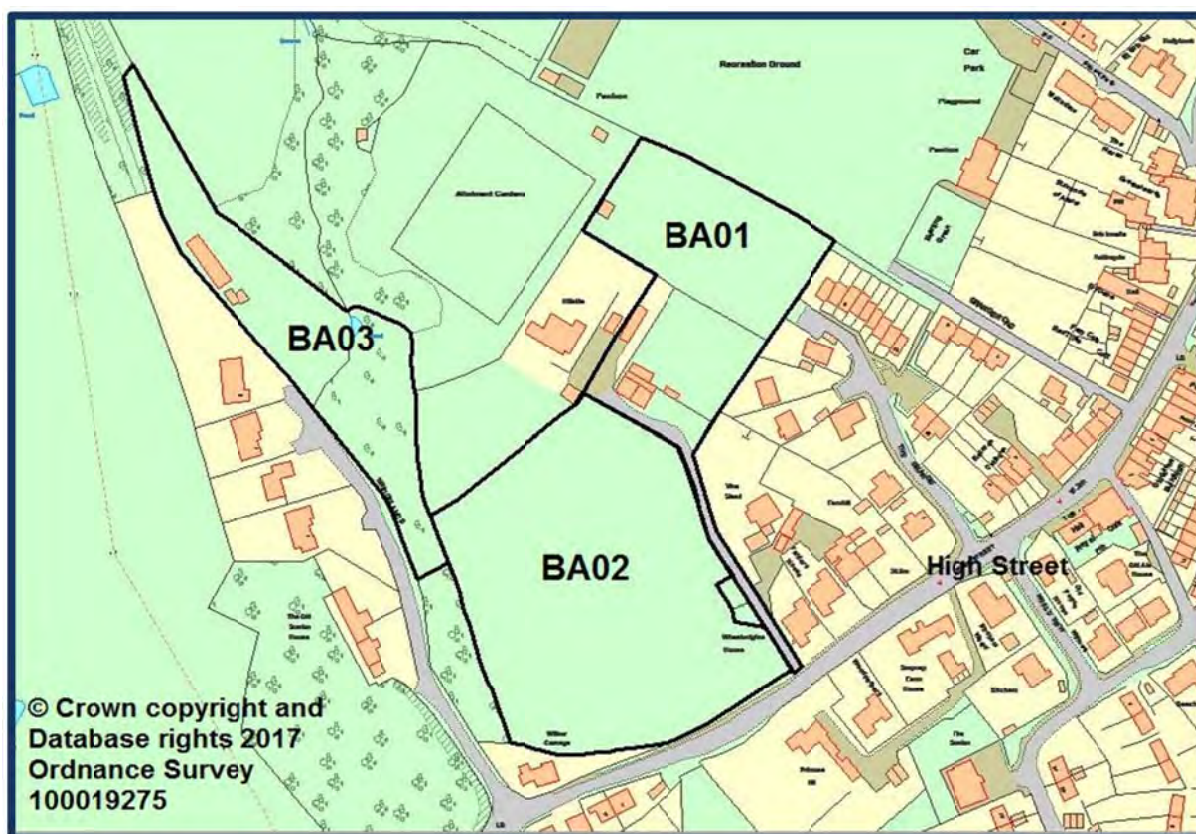
- a) Access, including provision for pedestrians and cyclists, to be provided from the High Street via Bridgelands;**
- b) Development complements the character of the existing local built form, in terms of height, mass and design, and the site's village edge location;**
- c) Development respects the character and appearance of the adjacent Barcombe Cross Conservation Area;**
- d) Development is subject to an appropriate assessment and evaluation of archaeological potential and any mitigation measures implemented accordingly;**
- e) Appropriate Flood Risk Assessment, surface water drainage strategy and mitigation is agreed with appropriate body and local planning authority and implemented accordingly;**
- f) Tree surveys undertaken and appropriate measures are identified and implemented accordingly to mitigate potential adverse impacts on Tree Protection Order on site;**
- g) 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; and**
- h) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water.**

- 2.79. This policy allocates land for residential development. The site lies at the western edge of Barcombe Cross between Bridgelands, to the west, and the allotments to the east. The site is within reasonable walking distance of local services and facilities available in the village centre, offering a sustainable location for new development.
- 2.80. Access to the site is from Bridgelands which serves a small number of properties. Initial technical highways work has been undertaken by the proponent and demonstrates that the necessary junction improvements to achieve the required visibility to accommodate the additional dwellings, and proposed shared pedestrian access, are acceptable in principle with East Sussex County Council, the highway authority.



- 2.81. The site is a small, linear and vacant parcel of land tapering at the both the north and south end. The site is well contained from wider surrounding views by existing development and disused railway embankment to the west, and by mature trees to the north and east. Bridgelands is characterised by larger, detached two storey properties set back from the road. The development of this site should be sensitively designed to complement the local character, as well as the site's village edge location, bearing in mind the general need for smaller housing units, as reflected in Core Policy 2 of Local Plan Part 1.
- 2.82. A small section of the site's southern boundary is adjacent to the Barcombe Cross Conservation Area. The Barcombe Cross Conservation Area Appraisal (CAA) highlights that the historic core is focussed around the crossroads to the east of the site. The CAA notes that the residential property 'The Old Station House' located to the south west of the site is identified as one which makes a contribution to the Conservation Area.
- 2.83. Whilst the site does not lie within any historical designation, such as an Archaeological Notification Area, the County Archaeologist identifies the site as within an area of medium archaeological potential. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.84. The site is within Flood Risk Zone 1 (the least at risk of flooding). Despite this, the site and surrounding area currently experiences issues of surface water flooding. The site presently accommodates a pond and number of ditches. Therefore, to ensure that no dwellings are placed in an area of flood risk and the flooding situation is not exacerbated by the development of this site, a site specific flood risk assessment will be required and any necessary mitigation measures, including appropriate Sustainable Urban Drainage System (SuDs), implemented accordingly. The ponds and ditches offer potential ecological value, therefore in considering mitigation options regard should be given to opportunities for positive contributions to be made towards valuable habitats for wildlife and future residents' amenity.
- 2.85. Within the site a single designated Tree Protection Order (TPO) is present. The incorporation of the designation within a scheme's layout is considered achievable. As such, the designation is not seen as a significant constraint on the development of this site. However, ecological and tree surveys will need to inform appropriate mitigation and implemented accordingly.

**Figure 6 Barcombe Cross housing site allocations**



## **North Chailey**

- 2.86. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 30 net additional dwellings to be provided within the settlement of North Chailey.
- 2.87. Chailey Parish is designated as a neighbourhood plan area and the Parish Council is at the early stages of preparing a neighbourhood plan. The Parish Council has decided not to identify housing site allocations within its neighbourhood plan. Therefore, the District Council has identified housing site allocations to contribute to meeting the requirement at North Chailey. Once the Chailey Neighbourhood Plan has gained sufficient weight, policies within it will form part of the determination process of future planning applications.
- 2.88. North Chailey is a relatively nucleated settlement concentrated around the staggered cross roads of East Grinstead Road (A275), Haywards Heath Road (A272 westbound) and Station Road (A272 eastbound). Ribbon development along the north side of Station Road extends the built up area eastwards towards Newick. The village is approximately 5 miles east of

Haywards Heath (the nearest town and located within Mid Sussex district) and approximately 7 miles north of Lewes town.

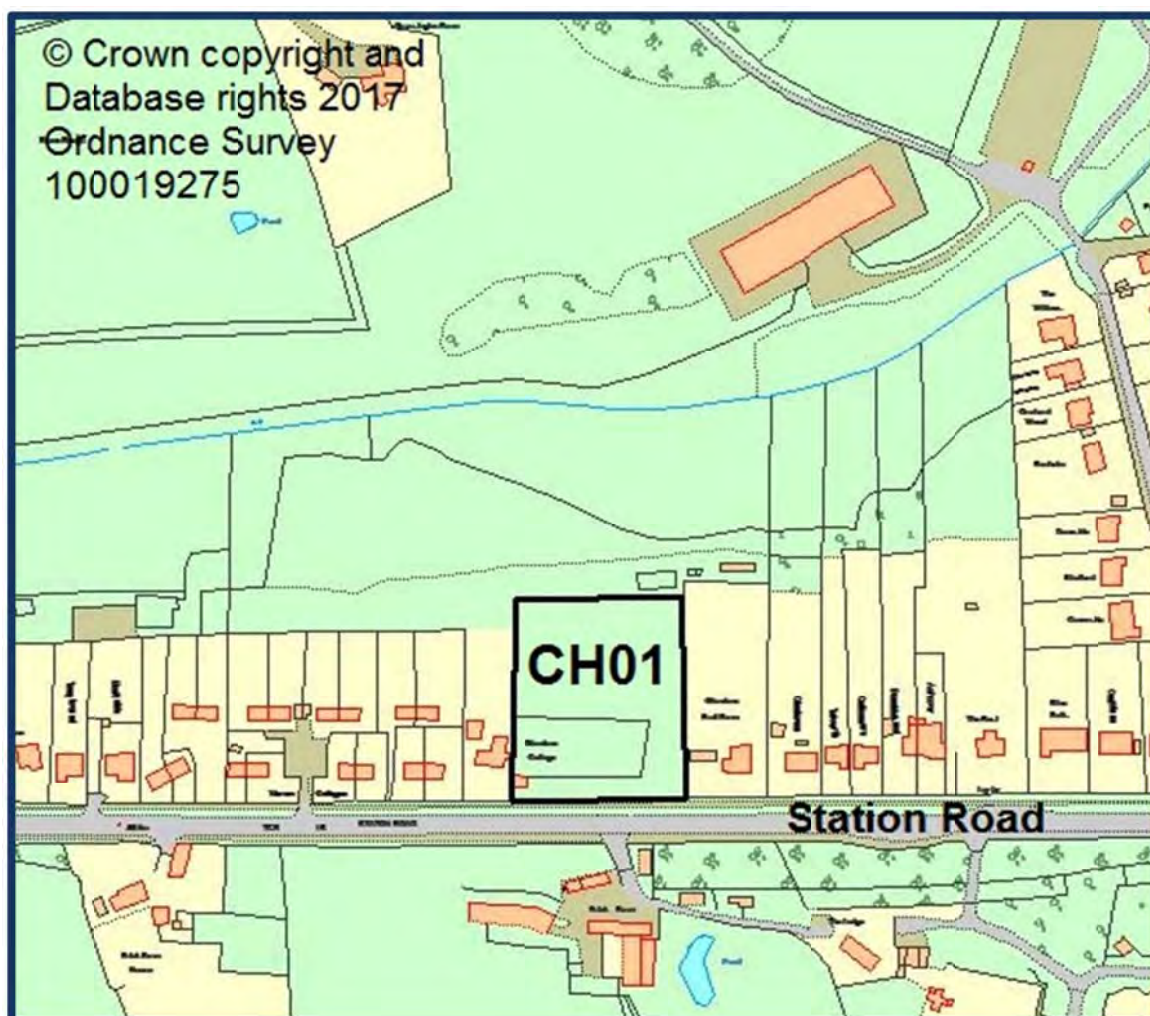
- 2.89. At the 2011 Census Chailey Parish had a population of 3,088. This includes the settlements of South Street, South Chailey and Chailey Green located to the south. North Chailey has a limited range of key services but is well placed to access a wide range of services and facilities in Haywards Heath. Access to public transport is limited resulting in a likely reliance on private transport. The village is classified as a Local Village within the District Council's Settlement Hierarchy recognising that few facilities, services employment opportunities are immediately available and accessibility to higher order settlements is poor.
- 2.90. North Chailey is located within the Low Weald landscape character area. The settlement and surrounding landscape character is influenced by several distinguishing features, including smaller, irregular fields, parcels of small to medium sized woodland areas and remnant heathland and common land. Chailey Common (designated SSSI and Local Nature Reserve) borders much of the settlement to the north and west. A stretch of land along Downs View to the east is also designated as a LNR. As a result of the above, the built area of North Chailey is relatively compact and, in landscape terms, well contained with limited long distance views from the surrounding area.
- 2.91. The 2018 SHELAA, as well as previous SHELAA Assessments, identified a limited number of suitable sites to meet the planned level of housing for North Chailey. One of those housing sites, the Kings Head for 14 net additional dwellings, has now been approved for housing and is under construction. Given the limited number of alternative sustainable housing site options for North Chailey the Kings Head development will contribute towards the identified minimum 30 net additional dwellings. Therefore leaving 16 net additional dwellings to be allocated on a further site(s) in the Local Plan Part 2. The following two proposed allocations deliver a combined total of 16 net additional dwellings.

### **Policy CH01 - Glendene, Station Road**

**This site (0.5ha), as shown on figure 7 below, is allocated for residential development providing approximately 10 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 Station Road;**
- b) Buildings reflect the local character in terms of mass, height and form;**
- c) Development is subject to an appropriate assessment and evaluation of archaeological potential and any mitigation measures implemented accordingly;**
- d) Appropriate surface water drainage mitigation is agreed with appropriate body and local planning authority and implemented accordingly;**
- e) An ecological impact assessment is undertaken and appropriate measures identified and implemented accordingly to mitigate potential adverse impacts. Development allows for the protection of biodiversity and enhancement where possible;**
- f) Appropriate buffer, at least 15m, between the site and adjacent Ancient Woodland; and**
- g) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water.**

Figure 7 Glendene, Station Road housing site allocation



- 2.92. This policy allocates land for residential development. The site lies approximately 500m east from the centre of North Chailey. The site is a small, grassed field sloping away from the main road to the south (Station Road) and largely lacking in distinguishing features. It forms part of the previous Glendene Fruit Farm, now occasionally used for grazing.
- 2.93. A new access point to the site will be directly from Station Road which borders the site's southern boundary. Supporting transport and access statements, as well as other supporting assessments mentioned below, were submitted as part of a recent planning application<sup>11</sup>. The proposed access point and impact of additional development on the highway network is considered acceptable in principle by East Sussex County Council, the highway authority.

<sup>11</sup> LW/15/0550: Outline application for the redevelopment of the site to provide 10 residential dwelling with all matters reserved except for access

- 2.94. The site forms a gap within an otherwise ribbon form development along the north side of Station Road. Existing development adjacent to the site is characterised by two storey, detached and semi-detached properties set back from Station Road with generous back gardens. New development on this site should complement the adjacent character.
- 2.95. Whilst the site does not lie within any historical designation, an extensive area to the south of Station Road is designated an Archaeological Notification Area, noted as Roman industrial settlement, medieval and post-medieval farm complex. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.96. The site itself does not form part of any formal biodiversity designation. However, protected species (bats) have been recorded adjacent to the site. An Extended Phase 1 Habitat Survey, along with a Reptile Survey and Mitigation Report has been undertaken to inform the 2015 planning application. Surveys concluded the site to have a population of common species of slow worm and grass snake limited to the northern woodland edge boundary. Suitable mitigation measures were identified. Surveys demonstrate that these ecological interests would not preclude the development of this site, subject to any final mitigation measures being appropriately implemented. Above appropriate surveys may need to be repeated to inform future development proposals depending on how frequently latest guidance advises surveys should be undertaken for the same area.
- 2.97. A rectangular section of woodland, increasing to a more substantial section of woodland to the east, is located approximately 12m, at its nearest point, north of the site. A smaller section of this woodland, including the southern edge nearest the site's boundary, is designated as Ancient Woodland. Whilst the area of Ancient Woodland is not immediately adjacent to the site the appropriate measures, including at least a 15m buffer, must be provided to mitigate against potential impacts on the Ancient Woodland from the development of this site.
- 2.98. The site lies within Flood Risk Zone 1 (at least at risk of flooding). A supporting Sustainable Urban Drainage Systems (SuDs) assessment, submitted as part of the aforementioned planning application, demonstrates that appropriate SuDs could be accommodated to manage run-off from proposed development and therefore would not preclude the development of this site.

### **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.**

**Figure 8 Layden Hall, East Grinstead Road housing site allocation**



- 2.99. This policy allocates land for residential development. The site lies approximately 250m south of the centre of North Chailey. The site is a small, rectangular parcel of land forming part of the garden to the property 'Layden Hall' and part woodland.
- 2.100. A new access point to the site will be directly from East Grinstead Road utilising land in the same site ownership. Safe pedestrian access should also be provided, linking the site to the existing extent of the pavement to north along East Grinstead Road (approximately 120m).
- 2.101. The site is located to the south of the village. Development of this site would extend the built up area southwards. Adjacent development is characterised by predominately large, detached two and two and a half storey properties, set back from the road and within generous gardens. Development along Downs View to the north east of the site is more uniform and generally semi-detached. Development of this site should complement the adjacent character, with particular attention to the height of buildings to help mitigate potential impacts on views into the site from the surrounding area.
- 2.102. The southern section of the site is largely covered by trees, the majority of which will need to be cleared to enable development. Whilst there are



presently no tree protection order designations on or adjacent to the site, tree surveys should be undertaken. The retention of boundary trees is considered important in helping to mitigate potential impacts on the surrounding landscape, particularly from the south where longer views are possible, and should be taken into account when establishing a landscape buffer scheme for the development. The site is also approximately 25m east of and across the road from Chailey Common, a Site of Special Scientific Interest (SSSI). Chailey Common is predominately located west of the A275 and straddles the A272. It is designated for its heath habitat, which supports diverse invertebrate and bird communities. An appropriate ecological impact assessment is therefore required to identify any potential impacts and appropriate mitigation to be implemented.

- 2.103. Whilst the site does not lie within any historical designation, is in close proximity to two designated Archaeological Notification Areas, noted as Roman industrial settlement, medieval and post-medieval farm complex and WWII search light and hut bases. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.

## **South Chailey**

- 2.104. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 10 net additional dwellings to be provided within the settlement of South Chailey. A housing site allocation to deliver the minimum 10 net additional dwellings is identified below.
- 2.105. Chailey Parish has been designated as a neighbourhood plan area and the Parish Council is at the early stages of preparing a neighbourhood plan. The Parish Council has decided not to identify housing site allocations within its neighbourhood plan. Therefore, the District Council has identified housing site allocations to meet the housing requirement for South Chailey. Once the Chailey Neighbourhood Plan has gained sufficient weight, policies within it will form part of the determination process of future planning applications.
- 2.106. South Chailey appears as a relatively linear settlement along South Road (A275) and Mill Lane where development is concentrated. However, several offshoots of development run from these two bisecting roads resulting in incremental pockets of newer development. The village is approximately 5 miles north of Lewes town.

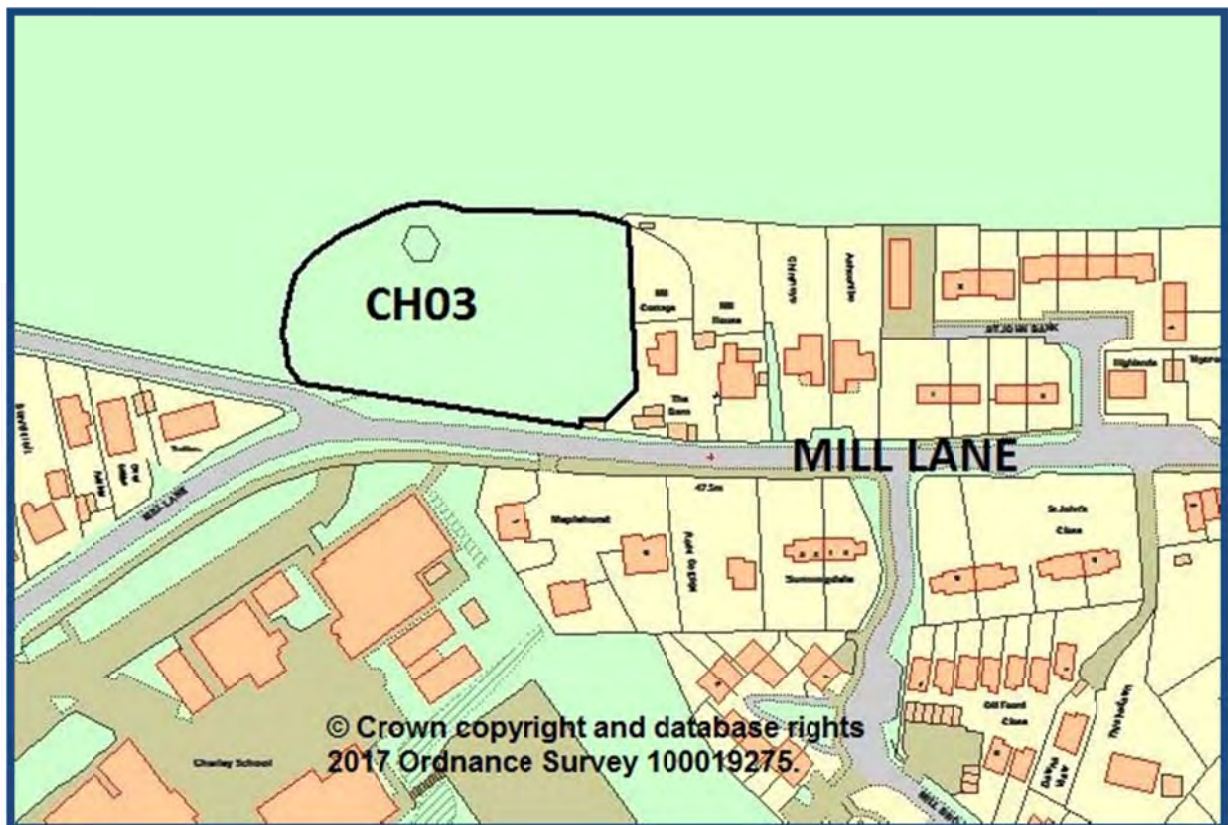
- 2.107. At the 2011 Census Chailey Parish had a population of 3,088. This includes the settlements of South Street, Chailey Green, South Chailey and North Chailey. South Chailey has a limited range of key services but is well placed to access a wide range of services and facilities in Hayward's Heath. Access to public transport is limited resulting in a likely reliance on private transport. The village is classified as a Local Village within the District Council's Settlement Hierarchy recognising that few facilities, services and employment opportunities are immediately available and accessibility to higher order settlements is poor.
- 2.108. South Chailey is located within the Low Weald landscape character area. The settlement and surrounding landscape character is influenced by several distinguishing features, including small to medium sized fields generally irregular in shape and parcels of medium sized woodland areas connected by hedges and shaws. South Chailey is slightly elevated from the surrounding area. Consequently some longer, albeit interrupted, views may be observed, particularly from the south and west of the village.
- 2.109. The 2018 SHELAA only identified one potentially suitable site for housing at South Chailey and this forms the proposed allocation below.

### **Policy CH03 - Land adjacent to Mill Lane**

**This site (0.47ha), as shown on figure 9 below, is allocated for residential development providing approximately 10 net additional dwellings subject to compliance with all appropriate development plan policies and the following criteria:**

- a) Suitable vehicular and pedestrian access provided connecting site to Mill Road and pavement;**
- b) Development complements nearby local character in terms of height, mass and form;**
- c) Retention of boundary hedge and trees, where possible, within an appropriate landscape buffer;**
- 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) The development will provide connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water; and**
- g) Development is subject to investigation into potential contamination and appropriate mitigation measures agreed with the relevant authority.**

**Figure 9 Land adjacent to Mill Lane housing site allocation**



- 2.110. This policy allocates land for residential development. The site lies on the northern edge of South Chailey. The site is a small, rectangular parcel of land which slopes gently down to the south to Mill Road. The site is between the property 'Mill Cottage', to the east, and access point to Broomfield Farm to the west.
- 2.111. A new access point to the site will be directly from Mill Road. Safe pedestrian access should also be provided, linking the site to the existing pavement on the southern side of Mill Road.
- 2.112. Development of this site would marginally extend the built up area westwards. Adjacent development is characterised by two storey detached and semi-detached properties, set back from the road, with some single storey properties north of Mill Lane in St John Bank. Development of this site should complement the local character, having regard to the above and the site's edge of village location. Whilst the site itself is relatively well contained by an existing hedge and the immediate topography, the landscape to the north of the site is open and slightly elevated. Therefore, particular attention to the height of buildings and boundary treatment should be given to help mitigate potential impacts on views into the site from the surrounding area.

- 2.113. The site is within an Archaeological Notification Area, noted for the presence of windmill remains and prehistoric activity and therefore has high archaeological potential. The base of an old smock mill, South Common Mill, is located in the North West part of the site. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.114. The site itself does not form part of a formal biodiversity designation. However, local records indicate presence of protected species, including bats. As such, an ecological impact assessment will be required, together with appropriate mitigation, informed by the EclA, to be implemented accordingly.

### **Cooksbridge**

- 2.115. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 30 net additional dwellings to be provided within the settlement of Cooksbridge.
- 2.116. Hamsey Parish Council has a 'made' neighbourhood plan<sup>12</sup>. The neighbourhood plan does not allocate housing sites but sets out a number of housing site selection and design policies to assist in the selection and delivery of housing to meet the settlement's planned housing requirement.
- 2.117. The 2018 SHELAA, along with previous SHELAA Assessments, identifies a limited number of suitable sites to meet the planned level of housing growth for Cooksbridge. Out of the three previously potential suitable sites identified one is within the SDNP and another is now designated a Local Green Space within the Hamsey Neighbourhood Plan. The remaining site, Chatfields Yard, has planning approval (LW/16/0935) for 27 dwellings and is under construction.
- 2.118. Given the current lack of potential suitable housing sites identified in Cooksbridge the approved Chatfields Yard development will contribute to the settlement's planned housing figure. The shortfall of three net additional dwellings cannot be currently met in Cooksbridge. However, the shortfall has been balanced by other nearby settlements exceeding their planned housing figure through either site allocations and/ or permitted unidentified sites. Should additional suitable site(s) be identified they can be considered

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<sup>12</sup> The Hamsey Neighbourhood Plan was 'made' by LDC on 21 July 2016 and by the SDNPA on 14 July 2016.

through either a future review of the Hamsey Neighbourhood Plan or Local Plan.

### **Newick**

- 2.119. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 100 net additional dwellings to be provided within the settlement of Newick.
- 2.120. Newick Parish Council has a 'made' Neighbourhood Plan, adopted July 2015, that allocates sites for 100 net additional dwellings. One allocated site, Newick Hill identified for 30 net dwellings is almost complete. Any future planning applications, or potential review of the Newick Neighbourhood Plan which considers housing allocations, will need to take into consideration policies within the adopted development plan.

### **Plumpton Green**

- 2.121. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 50 net additional dwellings to be provided within the settlement of Plumpton Green.
- 2.122. Plumpton Parish Council has a 'made' neighbourhood plan<sup>13</sup>. The neighbourhood plan contains a number of housing policies and allocates four housing sites totalling 68 net additional dwellings. Any future planning applications, or potential review of the Plumpton Neighbourhood Plan which considers housing allocations, will need to take into consideration policies within the adopted development plan.

### **Ringmer and Broyle Side**

- 2.123. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum 215 net additional dwellings to be provided within Ringmer and Broyle Side. Ringmer Parish Council has a 'made' neighbourhood plan<sup>14</sup> which contains a number of housing policies and allocations. A number of these allocated sites have since gained planning permission.
- 2.124. As referred to earlier in paragraph 2.8, a number of sites within Policy 6.4 of the Ringmer Neighbourhood Plan (RNP) overlap with commitments or the strategic allocation, Land north of Bishops Lane, identified in Spatial Policy 2 and Table 5 of Local Plan Part 1. The removal of these duplications results

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<sup>13</sup> The Plumpton Neighbourhood Plan was 'made' by Lewes District Council on 2 May 2018.

<sup>14</sup> The Ringmer Neighbourhood Plan was 'made' by Lewes District Council on 25 February 2016.

in a total of 183 net additional dwellings identified within the RNP; a shortfall of 32 net additional dwellings, against the planned housing growth figure of minimum 215 net additional dwellings.

- 2.125. The shortfall was recognised and discussed at the Local Plan Part 1 Examination, during which it was agreed that the retained 'saved' 2003 Lewes District Local Plan housing allocation RG1: Caburn Field was highly likely to deliver above the original target minimum of 40 dwellings (the number contained within the commitments figure for Spatial Policy 2). An additional 20 dwellings, thereby providing a total of 60 net additional dwellings, was considered at that time to be a reasonable anticipated capacity for an eventual proposal.
- 2.126. The increase in capacity was partly due to the inclusion of adjacent Lewes District Council owned land. A further 12 dwellings, however, is still required to meet the minimum of 215 net additional dwellings. Progress has since been made on the development proposals for this site, which indicate a yield of 96 dwellings. It is therefore proposed to allocate Caburn Field for approximately 90, meeting the shortfall of 32 and providing an additional 18 over the minimum of 215 net additional dwellings. This represents an uplift of 50 over and above the 'saved' 2003 allocation.

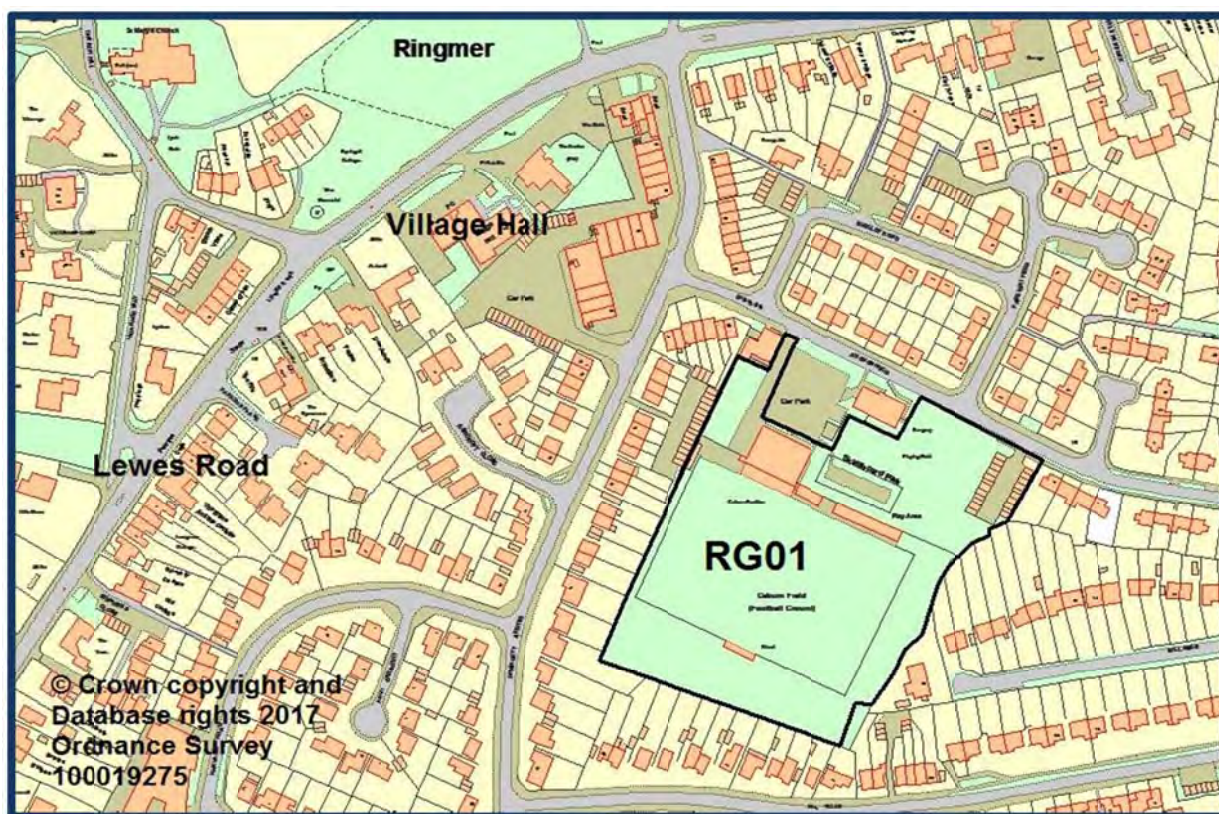
### **Policy RG01 - Caburn Field**

**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 the 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.**



**Figure 10 Caburn Field housing site allocation**



- 2.127. This retained 2003 Local Plan allocation for the relocation of Ringmer Football Club and redevelopment of its current ground, Caburn Field, reflects the continued wish for the club to move to an alternative site. The Club provides an important recreational resource for the village and the surrounding area and relocation will allow the club to improve its facilities.
- 2.128. The site, covering approximately 1.91ha, is located in close proximity to most of the facilities, services and public transport links in the centre of the village. It is enclosed on three sides by residential development. Therefore, residential development is considered to be appropriate within this location. The redevelopment of this site offers the unique opportunity to deliver a highly sustainable residential scheme with the benefit of improved community facilities. Its village centre location lends itself to a density above that set out in Core Policy 1 of Local Plan Part 1, which should be achieved through high quality design.
- 2.129. The housing growth at Ringmer and Broyle Side, as identified within Local Plan Part 1, is limited due to the current highway constraints of the B2192 and A26 (Earwig Corner) junction. Current identified junction improvements, to be delivered by the strategic site at Bishops Lane, allow for a total of 385 net additional dwellings to be accommodated within the settlement. Due to

the junction capacity constraints there is effectively a cap on development in Ringmer and Broyle Side beyond the planned 385 net additional dwellings. This is even allowing for the planned junction improvements that will be delivered through the strategic allocation at Bishops Lane. The development of Caburn Field at approximately 90 dwellings will exceed this cap by 14 dwellings, once overlapping allocations and expired permissions have been taken into account. However, in discussion with the local highway authority there is an agreement that development on the Caburn Field site that would take the total planned development in Ringmer beyond the 385 figure would be acceptable in principle. This is on the basis of Caburn Field having a highly sustainable village centre location and the fact that the principle of residential development has long been established on this site.

- 2.130. This quantum of development would be subject to the identification and implementation of sustainable transport improvements that minimise car use and encourage sustainable methods of transport to and from the site (i.e. bus, cycling and walking). This would be applied to the whole development, rather than just the proportion of development within the 385 'cap', providing an element of trip banking to occur, offsetting vehicle movements of the additional dwellings.
- 2.131. The site is within an Archaeological Notification Area, noted for the presence of medieval and post-medieval village and potteries. The site also identified to lie in an area of high archaeological potential. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.132. The site itself does not form part of a formal biodiversity designation. However, local records indicate presence of protected species, including slow worms. As such, an ecological impact assessment will be required, together with appropriate mitigation, informed by the EclA, to be implemented accordingly.
- 2.133. 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.
- 2.134. Southern Water has identified a surface water sewer under the site. As such, an easement will be required. This will need to be designed into the

layout of any development so that it is clear of all proposed buildings and tree planting.

- 2.135. Southern Water has, through modelling the capacity of the local sewerage network, identified a limited capacity to accommodate increased levels of flow at the practical point of connection in the local sewer. This is not a limit to growth but is highlighted here to indicate that extra work is likely to be required and ensure that this is undertaken at the right time to mitigate the localised risk of sewer flooding.

### **Wivelsfield Green**

- 2.136. Spatial Policy 2 of the Local Plan Part 1 sets the requirement for a minimum of 30 net additional dwellings to be provided within the settlement of Wivelsfield Green.
- 2.137. Wivelsfield Parish Council has a 'made' neighbourhood plan<sup>15</sup>. The Wivelsfield Neighbourhood Plan (WNP) allocates three sites for 34 net additional dwellings within the settlement of Wivelsfield Green. The WNP also provides a spatial policy of the neighbourhood plan which prioritises where new development might be supported within the Parish. Any future planning applications, or potential review of the Wivelsfield Neighbourhood Plan which considers housing allocations, will need to take into consideration policies within the adopted development plan.

### **Gypsy and Traveller Accommodation**

- 2.138. The Government's overarching aim is to ensure fair and equal treatment for travellers, in a way that facilitates the traditional and nomadic way of life of travellers while respecting the interests of the settled community. Government's national Planning Policy for Traveller Sites (PPTS) notes the importance of local authorities both assessing the accommodation needs of Gypsies, Travellers and Travelling Showpeople and then planning for this need.
- 2.139. To this end, a Gypsy and Traveller Accommodation Assessment (GTAA) was undertaken over 2015. Informed by the GTAA, Core Policy 3 of the Local Plan Part 1 sets out a requirement for 13 net additional permanent pitches for Gypsies and Travellers across Lewes District. This figure is apportioned across the two areas: inside and outside the South Downs National Park, to enable each local planning authority to plan for the need within their area. As such, Core Policy 3 identifies a need for five permanent

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<sup>15</sup> The Wivelsfield Neighbourhood Plan was 'made' by LDC on 7 December 2016.

pitches to serve the area of Lewes District outside the South Downs National Park and eight permanent pitches to serve the area within the Park.

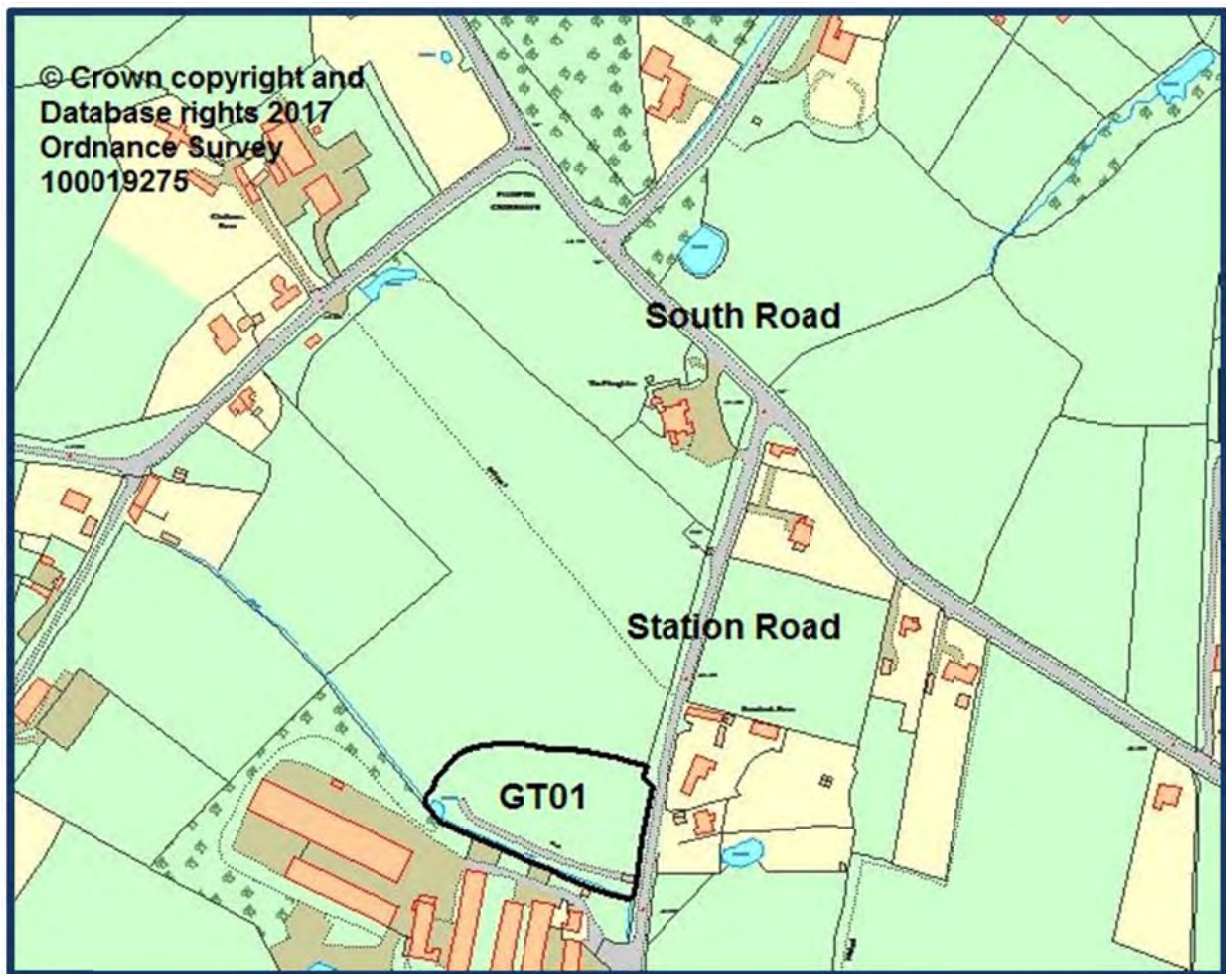
- 2.140. At the time of adopting the Local Plan Part 1, no suitable pitches had been identified for allocation. Therefore, Core Policy 3 sets out criteria to be considered in any future assessment of subsequent potential Gypsy and Traveller pitch allocations made through Local Plan Part 2, the National Park Authority's Local Plan or neighbourhood plans. Core Policy 3 is also to be used in determining any planning applications for Gypsy and Traveller or Travelling Showpeople use.
- 2.141. The Gypsy and Traveller call-for-sites undertaken as part of the 2017 draft Local Plan Part 2 consultation did not attract any potential site submissions. Further collaborative work between the Council and East Sussex County Council however has resulted in the Council being able to identify the below proposed permanent Gypsy and Traveller site. The proposed site meets the Council's duty to make provision for 5 permanent pitches.

### **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, including provision of a dedicated pedestrian path connecting the entrance of the site to the nearest bus stop serving the site;**
- 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;**
- 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.**

**Figure 11 Land south of The Plough, Gypsy and Traveller site allocation**



2.142. This policy allocates land for the development of Gypsy and Traveller pitches. The site lies approximately 650m north of Plumpton Green village, adjacent to 'The Old Brickworks' industrial site and a small number of residential dwellings. There is a good range of services and facilities, including a local convenience shop, primary school and train station, within Plumpton Green. Whilst the site is not within a reasonable walking distance of these facilities there is a bus stop approximately 200m north of the site with services to the village and Lewes town to the south and Haywards Heath to the north.

2.143. An existing agricultural access point is located within the south east corner of the site. Improvements, including removal and maintenance of boundary hedgerows, are required to provide a suitable and safe access for vehicles and pedestrians. This includes a small section of hedges to the south not within highway land or the same landownership. The necessary improvements must be agreed by the local planning and local highway authorities and implemented accordingly.

- 2.144. The site lies in the south east corner of a larger agricultural field which gently slopes north to south. The area of the site is considered appropriate to accommodate 5 permanent pitches and the required large vehicle turning space. The site is bounded to the east and south by existing hedges and trees respectively but is otherwise undefined to the north and west. As such, the development will need to establish a new, well defined boundary to avoid encroachment into the adjacent land. In levelling the site the local topography, as well as additional appropriate bunding, provides an opportunity to create a natural, banked landscape buffer and border to the north and west.
- 2.145. Whilst the site does not lie within any historical designation, such as an Archaeological Notification Area, the wider area has evidence of historical activity from the Roman period onwards. As such, an appropriate archaeological assessment and evaluation of the site's archaeological and historic interest will be expected to inform appropriate mitigation by design and recording.
- 2.146. The site itself 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. As such, an ecological impact assessment (EclA) will be required, together with appropriate mitigation, informed by the EclA, to be implemented accordingly.
- 2.147. The site lies within Flood Risk Zone 1 (at least risk of flooding). However, a risk of surface water flooding has been identified from the stream running east-west along the site's southern boundary. Therefore, to ensure that flood risk is not created 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.
- 2.148. The allocation is for the provision of permanent pitches for Gypsies and Travellers as defined within Annex 1 of government 2012 Planning policy for traveller sites. The Council will work with East Sussex County Council Gypsy and Traveller Team, and other relevant organisations where appropriate, to identify local families in need of accommodation.

### **3. EMPLOYMENT SITE ALLOCATIONS**

- 3.1. Spatial Policy 1 of the Local Plan Part 1 sets out a planned level of employment floorspace (B1, B2 and B8) of 74,000 sq.m. over the period from 2012 to 2031. This figure was informed by the findings of the Employment and Economic Land Assessment (EELA) for Lewes District, which was commissioned as part of the evidence base for the preparation of the Local Plan. It was also influenced by the housing delivery target for the district, since it is important to balance the number of jobs with the people available to fill them.
- 3.2. The Local Plan Part 1 demonstrates that there is sufficient land in quantitative terms to meet the employment floorspace requirement of 74,000 sq.m. within the district in the period to 2031. This is illustrated in Table 3 (p.49) of the document, which compares the need for industrial and office space with the identified potential supply. This identified supply will allow the employment needs of the district to be met on existing employment sites and premises (including unimplemented site allocations) with a modest allowance for market choice to allow for the changing needs of business and the possibility of a greater than expected level of local economic growth.
- 3.3. Consequently, there is no requirement in quantitative terms to allocate additional sites for employment purposes in the Local Plan Part 2. The EELA does identify a qualitative need for additional office and light industrial floorspace within Lewes town in the South Downs National Park. Some of this qualitative need will be met at the North Street Quarter, which is allocated for a mixed-use development in the Local Plan Part 1, and on unimplemented site allocations at Malling Brooks Business Area. Further opportunities within Lewes town are expected to be identified by the South Downs Local Plan and/or relevant Neighbourhood Plans.
- 3.4. Whilst there is no identified requirement for additional employment sites within the area of the district covered by the Local Plan Part 2, Core Policy 4 (*Economic Development and Regeneration*) of the Local Plan Part 1 sets out a positive approach to sustainable economic growth by safeguarding existing employment sites, promoting mixed-use developments, and supporting the intensification, upgrading and redevelopment of existing employment sites for employment purposes. The stimulation of the rural economy is given further support by Policies DM9 (*Farm Diversification*), DM10 (*Employment Development in the Countryside*) and DM11 (*Existing Employment Sites in the Countryside*) in this document.



- 3.5. Core Policy 4 (*Economic Development and Regeneration*) also contains a presumption in favour of retaining the unimplemented employment site allocations from the Lewes District Local Plan 2003. The preparation of the Local Plan Part 2 has therefore included a review of the deliverability and suitability of existing employment site allocations and their retention where appropriate. As a consequence, the site allocated for the upgrading and expansion of Newhaven Port in the Local Plan 2003 is carried forward by Policy E1 in this document, with appropriate amendments to bring it up to date. A new opportunity for employment development has also been identified on land adjacent to the American Express Community Stadium at Falmer, as set out in Policy E2.
- 3.6. As described earlier, site allocations within the designated neighbourhood plan areas of Peacehaven, Telscombe and Seaford are outside of the scope of this document. This is because these town and parish councils are preparing neighbourhood plans which will consider appropriate land-use allocations within their areas. The policies allocating sites for employment purposes at Hoyle Road, Peacehaven, and Cradle Hill, Seaford, in the Local Plan 2003 will therefore continue to be 'saved' and form part of the development plan for the area until the respective neighbourhood plans for these towns are approved. The relevant policies are listed in Appendix 3.
- 3.7. Many of the sites allocated for employment uses within the rural parts of the district in the Local Plan 2003 are currently occupied or comprise previously developed land. The Council considers that Core Policy 4 (*Economic Development and Regeneration*) and Policy DM11 (*Existing Employment Sites in the Countryside*) provide an appropriate policy framework for the consideration of development proposals on such sites. They are therefore not carried forward as specific employment allocations in this document. Other employment allocations in the Local Plan 2003 have not been retained because they have either received planning consent for development or are no longer considered suitable for employment purposes.
- 3.8. At Newhaven Port, the operations and maintenance base for the Rampion Offshore Wind Farm has now opened in accordance with Core Policy 4 (*Economic Development and Regeneration*). This is acting as a catalyst for the regeneration of the town and helping to stimulate the local economy. The Local Plan's approach to economic development and the regeneration of the coastal towns has also been supported by the formal designation of the Newhaven Enterprise Zone (EZ), which covers 79 ha of land across eight sites.
- 3.9. The EZ is a partnership venture between the District Council and the Coast to Capital Local Enterprise Partnership. Over the next 25 years, it is

anticipated that the EZ will act as catalyst to deliver 55,000 sq.m. of new employment floorspace and the refurbishment of some 15,000 sq.m. of existing employment premises. This investment will create new business opportunities and encourage further growth and investment in the town.

- 3.10. Also in Newhaven, an Article 4 Direction will take effect in November 2018, withdrawing permitted development rights for changes of use from offices or light industrial to residential. This action has been taken by the District Council to support Core Policy 4 (*Economic Development and Regeneration*) in terms of safeguarding existing employment sites from other competing uses so as to avoid a lack of supply or choice of premises becoming a barrier to business investment and the continued economic growth of the district.

### **Land at East Quay, Newhaven Port**

- 3.11. Newhaven is a relatively small port but provides important maritime links to mainland Europe. It also plays a vital role in the operation and maintenance of the Rampion offshore wind farm, which is located 13km of the Sussex coast, and the importation of marine aggregates. Its wharves and railheads are safeguarded for the existing and future mineral imports and processing by the East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan (Policy WMP15) and the Waste and Minerals Sites Plan (Policy SP2).
- 3.12. The port is owned and operated by Newhaven Port and Properties (NPP), who published a masterplan in 2012 to provide a strategic framework for the development of the port over the next 20-30 years. Lewes District Council, East Sussex County Council and Newhaven Town Council have agreed to work with NPP to achieve the implementation of this masterplan in recognition that Newhaven needs a higher level of economic activity in order for both the town and the port to have a sustainable future.
- 3.13. In 2016, NPP were granted planning permission for the expansion of the existing working port area, including the refurbishment of the existing multi-purpose berth at East Quay, the construction of a new berth and slip way to the south, and new space for associated offices, warehouses and workshops. It is anticipated this development will allow the port to remain competitive by offering modern facilities to future investors and customers and allowing the port to accommodate larger vessels should the opportunity arise.
- 3.14. The further expansion and enhancement of Newhaven Port is supported by Core Policy 4 (*Economic Development and Regeneration*) of the adopted Local Plan Part 1 in order to help revitalise the economy of the coastal area.

An extensive area of largely undeveloped land in the ownership of NPP exists to the north-east of the proposed port expansion and new berth and slipway and this area is considered suitable for the future expansion of port-related activities.

- 3.15. Much of this area was previously allocated in Policy NH20 of the Lewes District Local Plan 2003. However, development of this site has previously been constrained by its poor vehicular access, which is currently via Railway Road and Beach Road. The construction of the final section of the new Newhaven Port access road is anticipated to unlock capacity for new employment space in this part of Newhaven and significantly enhance the development potential of the site.
- 3.16. The first phase of the Newhaven Port access road was completed in 2015, with the construction of the final phase due to be completed by 2020. The new road will then carry traffic by a bridge over the Newhaven to Seaford railway line and Mill Creek, providing a direct vehicular access from the A259 to both the allocated employment site and the remainder of the port land.
- 3.17. The viability of employment development on the site will be further enhanced through the current investment in new flood defences in Newhaven by the Environment Agency and the two Local Enterprise Partnerships (Coast to Capital LEP and South East LEP). This flood alleviation scheme will provide a 1-in-200-year standard of protection for the town and the port, taking into account the effects of climate change, and is due to be completed by the autumn 2019.
- 3.18. 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*).
- 3.19. 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.

- 3.20. 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 (*Natural Environment and Landscape Character*) 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.
- 3.21. 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 (*Heritage Assets*) and Core Policy 11 (*Built and Historic Environment and High Quality Design*) of the Local Plan Part 1.
- 3.22. 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 (*Footpath, Cycle and Bridleway Network*).
- 3.23. 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.

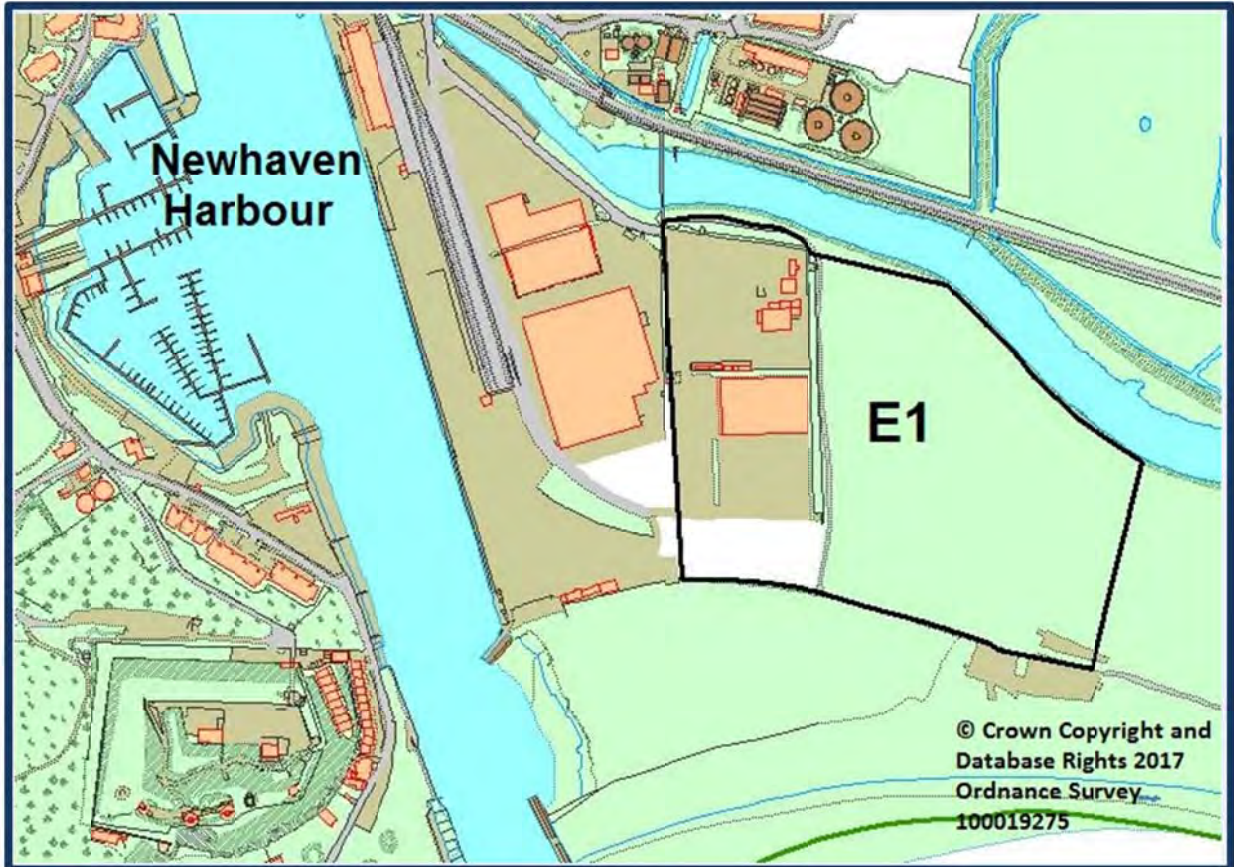
### **Policy E1: Land at East Quay, Newhaven Port**

**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 plan 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.

*Figure 12 Land at East Quay employment site allocation*



### **Land Adjacent to American Express Community Stadium, Village Way, Falmer**

- 3.24. This site is adjacent to the American Express Community Stadium and is located within the boundaries of both Lewes District Council and Brighton & Hove City Council<sup>16</sup>. As a major sporting venue, the stadium is protected by Policy CP17 of the adopted Brighton & Hove City Plan Part 1. However, the allocated site provides an opportunity to enhance the stadium facilities by providing offices or health/ education uses associated with the stadium or with Sussex and Brighton Universities, whose campuses are located in close proximity. Development proposals for the site should not constrain the operation of the stadium as a major sporting venue.

<sup>16</sup> The Brighton & Hove City Plan Part 2 is also proposing to allocate the part of the site within its administrative area for the uses set out in Policy E2.

- 3.25. Whilst the allocated site and the stadium are outside of the South Downs National Park, the stadium is visible in a significant number of key views from within the National Park itself. Any new development should therefore conserve and enhance the locality and overall setting of the stadium in order to avoid harm to the special setting of the National Park. Development proposals should also address any adverse noise impact from the adjacent road and railway, in accordance with Policy DM23 (*Noise*).
- 3.26. The curved and sloping form of the stadium provides a prominent architectural element in the area and is designed to sit within the natural curves of the surrounding downland. An existing landscaped bund on the site helps to lessen the bulk of the stadium and integrate it into its downland setting. The design of any development proposals will therefore need to give careful consideration to the relationship with the stadium in order to ensure that new development does not erode or detract from the stadium's architectural presence.
- 3.27. 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. 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.
- 3.28. The loss of the landscaped bund, which is located within the boundary of Brighton & Hove City Council, is considered acceptable provided that it is mitigated through the use of green walls, green roofs or landscaping, in accordance with Core Policy 8 (*Green Infrastructure*). Opportunities should also be taken to improve the public realm around the stadium for users, in accordance with Policy DM25 (*Design*).
- 3.29. Any development of land within the boundary of Brighton & 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. 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.

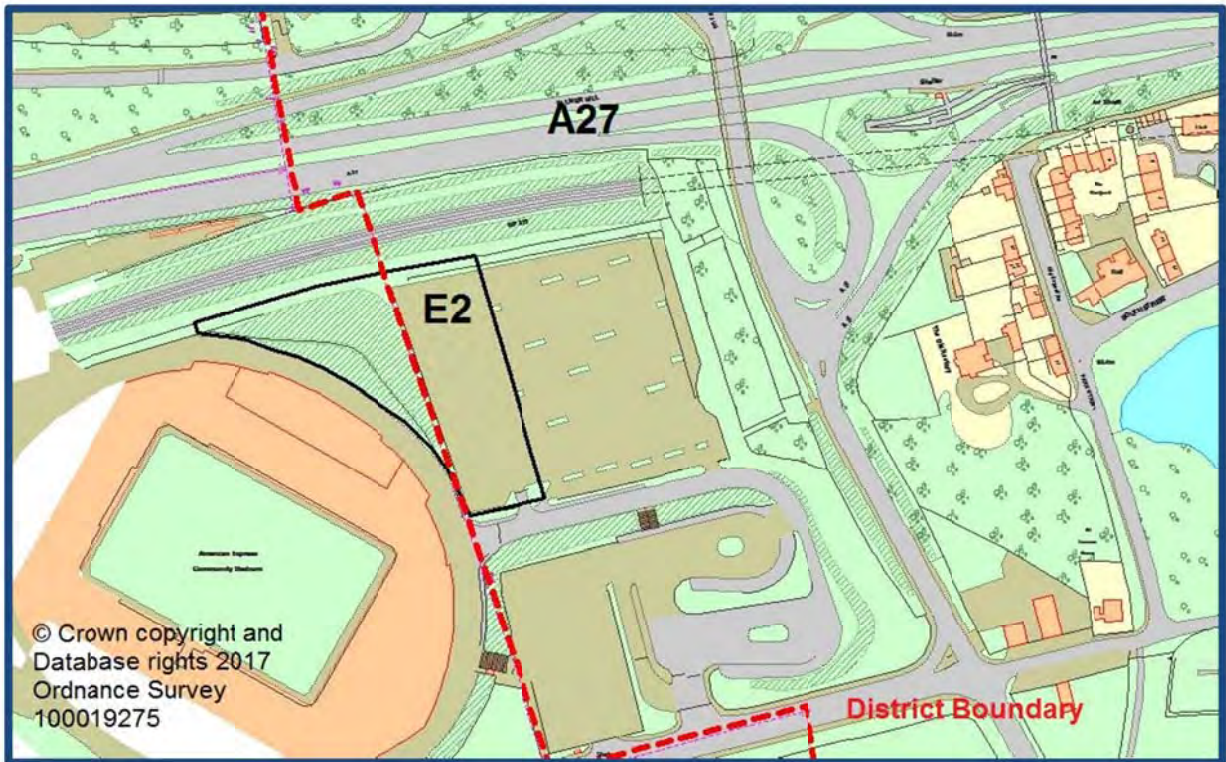
**Policy E2: Land Adjacent to American Express Community Stadium, Village Way, Falmer**

**Land adjacent to the American Express Community Stadium, as defined on the Policies Map, is allocated for B1a (offices), D1 (health/education) uses and/or other ancillary uses directly associated with the Stadium and/or Sussex and Brighton Universities.**

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

- 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;**

**Figure 13 Land adjacent to American Express Community Stadium employment site allocation**





## **4. DEVELOPMENT MANAGEMENT POLICIES**

- 4.1. The policies in this document set out the more detailed criteria against which planning applications for the development and use of land and buildings will be considered in those areas of the district outside the South Downs National Park. Their purpose is to provide a consistent approach to the assessment of planning applications, and to help provide clarity to applicants about the Council's expectations in respect of achieving sustainable development.
- 4.2. The development management policies contained in this document should not be read in isolation. The Local Plan Part 2 should be read as a whole, together with the policies set out in the Local Plan Part 1, the East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan, and any neighbourhood plans that have been brought into force. National planning policies in the National Planning Policy Framework (NPPF) are not repeated and should also be read alongside this document.
- 4.3. When considering development proposals, the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the NPPF. It will always work proactively with applicants to jointly find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area. This policy approach is set out in full on page 40 of the Local Plan Part 1.
- 4.4. For ease of reference, the format of this document follows the same headings as the Local Plan Part 1. This does not mean that the policies in each section contribute only to the themes under which they appear. However, as the development management policies supplement the Local Plan Part 1 policies and help to deliver a common set of objectives, it is considered helpful to follow the same structure.

## **SPATIAL STRATEGY**

### **Planning Boundaries**

- 4.5. The Council has adopted the use of 'planning boundaries' to make a clear distinction between town and village locations where, in principle, further development would be acceptable, and the countryside (i.e. outside of the planning boundaries) where development would be acceptable only in certain circumstances. The purpose of the planning boundaries is to positively focus growth on sustainable settlements, reduce the need to

travel, and protect the intrinsic character and beauty of the countryside, in accordance with the spatial strategy set out in the Local Plan Part 1.

- 4.6. It is important to note that the planning boundary is a policy line applying Local Plan policies to a specific area, thereby giving a sound basis for development control decisions. It does not attempt to define town or village limits in physical or social terms. The planning boundaries have been carefully considered, taking into account a range of factors including the existing form, pattern and function of settlements, important 'gaps' of countryside between them, the character and setting of individual towns and villages, and environmental considerations, such as the need to conserve designated areas of national landscape, ecological, geological, or historic importance.
- 4.7. Whilst land outside of the planning boundaries is regarded as countryside for planning policy purposes, this does not represent an absolute restriction on development. The potential for new development outside of the planning boundaries to support vital rural communities and also to conserve or enhance the intrinsic qualities of the rural area is recognised. The Local Plan includes specific policies for development proposals that would help to promote a sustainable rural economy or meet recognised local needs for affordable housing or community facilities. Other uses, such as renewable energy or essential infrastructure, may also be appropriate where an overriding need for the development to be located in the countryside can be demonstrated.

### **Policy DM1: Planning Boundary**

**Within the planning boundaries, as defined on the Policies Map, new development will be permitted provided that it is in accordance with other policies and proposals in the development plan**

**Outside the planning boundaries, the distinctive character and quality of the countryside will be protected and new development will only be permitted where it is consistent with a specific development plan policy or where the need for a countryside location can be demonstrated.**

**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.**

## Rural Exception Sites

- 4.8. The shortage of affordable housing for local people can result from high house prices driven up by demand from people moving to rural areas, coupled with restricted scope for new house building. The strategic housing sites allocated in the Local Plan Part 1 at Lewes town, Newhaven, Peacehaven and Ringmer will help to increase the supply of affordable housing in the towns and larger villages in the district. However, in smaller villages and rural areas which have very limited or no facilities, new housing development will be focused on providing affordable homes which meet an identified housing need among local people who are unable to compete in the private housing market.
- 4.9. 'Rural Exception Sites' can be used to release sites to deliver affordable housing in rural communities where such land would not otherwise be used for housing. The Coastal West Sussex Strategic Housing Market Assessment recommends this as one of a number of mechanisms which should be used to increase the supply of affordable housing in rural areas. At the national level, the 2008 Taylor Review of Rural Economy and Affordable Housing urges the need for more proactive engagement to bring forward sites for affordable homes to meet local needs in smaller rural communities (generally defined as settlements with populations under 3,000).
- 4.10. It is important that housing schemes should be needs led, the starting point being that a need for housing exists in the parish, rather than the availability of a particular site. Proposed developments must be based on sound evidence of housing need and must fulfil the criteria as stated in Policy DM2 below. The ability of the proposed scheme to meet identified local housing needs must be clearly demonstrated to the satisfaction of Lewes District Council. This will be assessed using the Council's Housing Register and other available up-to-date housing needs assessments. It should also be demonstrated that the proposal is financially viable and deliverable.
- 4.11. Given that housing permitted through this policy is an exception to normal countryside policies, it is important that it remains 'affordable' in perpetuity. Only tenures which can be guaranteed to remain affordable in the long term will be permitted in such schemes. For example, general shared ownership schemes where occupiers can potentially purchase 100% of the equity will not be considered appropriate. Where planning permission would not normally be permitted for housing, it can still be difficult to encourage landowners to sell their land below open market residential values. In order to address this, a proportion of market housing may be permitted where it can be demonstrated that an affordable housing scheme would be unviable

without cross-subsidy. Viability will be independently assessed by the District Valuer, or equivalent, at the applicant's expense.

## **Policy DM2: Rural Exception Sites**

**Outside the planning boundaries, as defined on the Policies Map, proposals for affordable housing to meet local needs will be permitted where the following criteria are met:**

- (1) the proposed development will assist in meeting an identified and genuine local need in terms of the sizes, types, and tenures of the dwellings;**
- (2) the proposed development is within, adjacent to, or otherwise well related to an existing village or other settlement;**
- (3) the scale and design of the development is appropriate to the nature of the settlement and will respect its character and setting;**
- (4) the affordable housing is made available to, and will be retained in perpetuity for, households with a local connection;**
- (5) the proposed scheme is subject to an appropriate legal agreement to ensure that it is able to be properly managed by a partner Registered Provider or other approved body;**
- (6) development proposals within 7km of the Ashdown Forest comply with Core Policy 10(3) of the Local Plan Part 1.**

**The inclusion of open market housing will not normally be supported unless it can be demonstrated that an affordable housing scheme that meets the above criteria would be unviable without cross-subsidy. In such exceptional circumstances, the amount of market housing must be lower than the amount of affordable housing and at the lowest proportion that will enable the delivery of significant affordable housing.**

## **Accommodation for Agricultural and Other Rural Workers**

- 4.12. The NPPF states that one of the few circumstances where an isolated new home may be justified within the countryside is when the accommodation is essential to enable a rural worker to live permanently at or near their place of work. In Lewes district, it may often be as convenient and sustainable for such workers to live in nearby towns or villages, so avoiding new and potentially intrusive development in the countryside. However, it is acknowledged that there will be some instances where the nature and demands of certain rural businesses will make it essential for one or more

people engaged in the enterprise to live at, or very close to, their place of work. Such a need must nevertheless be essential to the successful operation of the business.

- 4.13. Planning applications will be subject to a functional test to establish whether it is essential for one or more full-time workers to be readily available to meet the established needs of the enterprise at most times, day and night, such as to provide for the proper supervision of agricultural processes or livestock. It will not be sufficient that it is merely convenient or desirable to live on the holding. Security is not in itself a sufficient justification. In relation to demonstrating genuine need, it will also be necessary to apply a financial test to assess whether an agricultural or other rural enterprise is economically viable and planned on a sound financial basis. The Council will draw upon independent professional advice when considering such proposals.
- 4.14. Changes in the scale and character of agricultural and forestry businesses have the potential to affect the longer-term requirement for dwellings in the countryside particularly where these had an “agricultural worker occupancy” condition attached when planning permission was granted. In such cases, the Council recognises no purpose would be fulfilled in keeping such dwellings vacant, or that existing occupiers should be obliged to remain in occupation simply by virtue of a planning condition that has outlived its usefulness.
- 4.15. Nevertheless, applications for the removal of an occupancy condition will need to demonstrate convincingly that there is no long-term need for an agricultural dwelling in the locality. Such dwellings could be used by other agricultural and rural workers seeking accommodation within the wider surrounding area, therefore it will need to be demonstrated to the Council that the dwelling tied to an occupancy condition has been effectively marketed to likely interested parties in the area concerned, and that no genuine interest has been shown regarding the purchase or rental of the dwelling for a rural worker with an essential need to live in the local community.

### **Policy DM3: Accommodation for Agricultural and Other Rural Workers**

**Outside the planning boundaries, as defined on the Policies Map, new permanent dwellings will be permitted for those employed in agriculture, forestry or another enterprise requiring a countryside location where it can be demonstrated that the following criteria are met:**

- (1) there is a clearly established existing functional need;**

- (2) the functional need relates to a full-time worker;**
- (3) the unit and the rural enterprise concerned have been established for at least three years, have been profitable for at least one of them, are currently financially sound and have a clear prospect of remaining so;**
- (4) the functional need cannot be met by another existing dwelling on the unit or other existing accommodation in the area which is suitable and available for occupation by the workers concerned;**
- (5) the proposed dwelling, and any subsequent extension, is of a size commensurate with the established functional need of the enterprise. Dwellings and any subsequent extensions which are unusually large in relation to the needs of the unit or unusually expensive to construct in relation to the income it can sustain in the long term will not be permitted;**
- (6) the dwelling is suitably located to meet the identified functional need of the enterprise, is well related to existing buildings wherever possible, and its siting and design is appropriate to the rural character of the locality.**

**Where the functional need is proven but Criterion 3 is not met, a temporary permission will be granted for a caravan, mobile home or other temporary accommodation where it can be demonstrated that the following criteria are met:**

- (i) Criteria (1) and (4) above;**
- (ii) there is clear evidence of a firm intention and ability to develop the enterprise concerned;**
- (iii) there is clear evidence that the proposed enterprise has been planned on a sound financial basis.**

**Occupancy conditions will be imposed on dwellings permitted in accordance with this policy and, where appropriate, on other dwellings within the holding. Applications to remove such conditions will only be permitted where it can be demonstrated that all the following criteria are met:**

- (a) the essential need which originally justified the dwelling no longer applies and the dwelling will not be required to meet such need in the longer term;**
- (b) the property has been actively marketed in specialist and local press and estate agents at least once a month for a minimum of 12 months;**
- (c) the advertised selling price or rental is realistic given the age, size, condition and location of the property; and**
- (d) no realistic offers have been made to the vendors for occupation of the dwelling in compliance with the original occupancy condition.**

**In appropriate circumstances, the Council will seek a planning obligation to tie a permanent dwelling to adjacent buildings or to the land forming the holding.**

**Proposals within 7km of the Ashdown Forest will only be permitted where they comply with Core Policy 10(3) of the Local Plan Part 1.**

## **Residential Conversions in the Countryside**

- 4.16. A new home in the countryside may be justified where it involves the re-use of a redundant or disused building and leads to an enhancement to the immediate setting. Residential development outside of the planning boundaries will therefore be supported where it complies with the criteria set out in Policy DM4. If a building is not redundant, or its conversion would be likely to result in the need for a replacement structure, then the proposal is unlikely to be acceptable.
- 4.17. In order to prevent the cumulative erosion of the distinctive rural character and qualities of the district's countryside, proposals for conversion to residential use will normally only be acceptable where the building to be converted or replaced is structurally sound and capable of conversion to the proposed use without significant reconstruction, modification or extension. This may need to be demonstrated through the submission of a structural survey.
- 4.18. Where a redundant agricultural or other rural building is considered a heritage asset, residential conversion will only be supported if this represents the optimal viable use in accordance with paragraph 55 of the NPPF. The Council will not normally support the re-use of buildings which are subject to a planning condition or condition of prior approval which requires their removal on cessation of agricultural use.
- 4.19. Redundant agricultural or other rural buildings often serve as bat roost or habitats for other protected species identified in the Countryside and Rights of Way Act 2000, the UK Biodiversity Action Plan, and other Regulations and Directives. The Council may therefore require an ecological impact assessment to accompany planning applications in order to identify protected species within the application site, set out any mitigation measures where necessary, and recommend appropriate measures for the enhancement of biodiversity.
- 4.20. Some redundant agricultural buildings may have been used for engineering purposes or the storage of vehicles, fuel, herbicides or other pesticides.

Proposals for the conversion of buildings that are known or suspected to be affected by contamination will have to meet the requirements set out in Policy DM21 (Land Contamination). In locations at risk from surface or ground water flooding, a site specific flood risk assessment may also be required in accordance with Core Policy 12 of the Local Plan Part 1.

#### **Policy DM4: Residential Conversions in the Countryside**

**Proposals for the conversion of redundant agricultural or other rural buildings to residential use outside the planning boundaries, as defined on the Policies Map, will be permitted where the following criteria are met:**

- (1) the building is of sound construction and capable of conversion without significant rebuilding, modification or extension. The Council will normally require this to be demonstrated through the submission of a structural survey;**
- (2) the building is not in an exposed or isolated location where the construction of lengthy access roads or overhead power lines would be harmful to the rural character of the area;**
- (3) the proposed development will lead to an enhancement to the immediate setting of the building, either by the removal of existing structures and features that detract from the character and identity of the locality or by improved boundary treatment that responds sensitively to the rural nature of the site;**
- (4) any proposed alterations to the building (e.g. fenestration, doors, internal subdivision) would not harm its architectural integrity nor materially change its appearance as a rural building;**
- (5) the creation of a residential curtilage would not detract from the rural setting of the building or harm the character of the wider landscape;**
- (6) the proposal would not create an unacceptable impact on the local road network and there is a satisfactory means of vehicular access and parking arrangements;**
- (7) the proposed development would not prejudice any viable agricultural operations;**
- (8) development within 7km of the Ashdown Forest will comply with Core Policy 10(3) of the Local Plan Part 1.**

**Where appropriate, conditions may be imposed to remove permitted development rights.**



## **Replacement Dwellings in the Countryside**

- 4.21. The suitable replacement of existing dwellings is considered acceptable outside of the planning boundaries. In order to avoid new isolated dwellings in the countryside, replacement dwellings will normally only be acceptable on a one to one basis, i.e. there should be no increase in the number of dwellings. However, the Council seeks to minimise the impact of built development on the distinctive character and qualities of the rural environment and avoid 'suburbanisation' of the countryside. In determining planning applications for replacement dwellings, consideration may be given to the removal of permitted development rights in order to retain the identity and character of the surrounding countryside.

### **Policy DM5: Replacement Dwellings in the Countryside**

**Outside the planning boundaries, as defined on the Policies Map, the replacement of an existing dwelling by another dwelling within the same residential curtilage will be permitted where the following criteria are met:**

- (1) the scale, form, height, and massing of the replacement dwelling is compatible with its rural location and the surrounding form of development;**
- (2) the replacement dwelling is located in the same or similar position of the existing dwelling, unless an alternative location would result in clear landscape, highway access or local amenity benefits.**

**In sensitive locations, permitted development rights relating to future extensions and other structures may be removed.**

## **Equestrian Development**

- 4.22. There are a limited number of large commercial equestrian centres in the district but it is predominantly small-scale facilities for individual and private pursuit that come forward as planning applications. Typically, proposals for stables will include a tack room as well as external hard-standings and manure bays but may also incorporate sand schools, jumps or new access roads from the highway.
- 4.23. Horse riding and other equestrian activities are increasingly popular forms of recreation in the countryside that can complement agricultural activities and help to diversify rural economies. However, equestrian and associated development needs to be carefully managed, primarily for landscape

reasons. This is important in terms of both new developments in isolated rural locations and the cumulative impact of the subdivision of farm holdings, the formation of paddocks, and the construction of stables and associated facilities within a concentrated area.

- 4.24. In assessing proposals for equestrian development, consideration will also be given to the need to ensure the safety and comfort of horses in terms of space for grazing and exercising. This will also help to address the problem of the excessive sub-division of fields and over grazing/loss of soil structure which can often result from such development. Generally, stocking at a density of one hectare per horse should be used as an appropriate guideline. (*Good Practice Equine Pasture Management, SEEDA 2008*).

### **Policy DM6: Equestrian Development**

**Proposals for equestrian development will be permitted where the intrinsic and locally distinctive character and amenities of the countryside are maintained. In particular:**

- (1) the siting, scale and design, including materials and boundary treatment, of any new buildings or facilities should be appropriate to their rural setting;**
- (2) consideration will be given to the cumulative impact of equestrian developments on landscape character and features and biodiversity;**
- (3) proposals should not be sited in prominent or isolated locations;**
- (4) all proposals, including sand schools, commercial riding schools, livery stables and related facilities, should be satisfactorily integrated with existing buildings;**
- (5) any associated floodlighting, earthworks, new access routes or other ancillary structures, including storage facilities, manure bays, hard-standings, fencing and jumps, should not have an unacceptable adverse impact on the surrounding countryside, biodiversity or local residential amenities;**
- (6) adequate provision should be made for the safety and comfort of horses in terms of the size of accommodation and land for grazing and exercising;**
- (7) commercial riding schools, livery stables and other commercial facilities should have satisfactory access to the public bridleway network without the use of unsuitable roads.**

**In some circumstances, conditions (such as the removal of permitted development rights for fencing and external storage) may be applied to**

**prevent any potential harm to the local landscape.**

## **Institutional Sites**

4.25. Sites occupied by residential institutions (Use Classes C2 or C2a) within the countryside can come forward unexpectedly for development when an existing use ceases to be viable. Often these sites have, over time, become well integrated into the countryside. In such cases, widespread site clearance is unlikely to be appropriate unless the site is wholly occupied by intrusive or unsightly structures. The re-use of the site is therefore expected to normally combine the retention and conversion of the best buildings and removal of the worst. The acceptability of alternative uses will depend upon the nature of the site, the buildings and their rural setting, and the availability of services, including public transport.

### **Policy DM7: Institutional Sites**

**Outside the planning boundaries, as defined on the Policies Map, proposals for the change of use and conversion of land and buildings occupied by residential institutions will be permitted where the following criteria are met:**

- (1) existing buildings which make a positive contribution to the existing character of the site will be retained;**
- (2) existing buildings which are detrimental to the rural character of the locality will be removed;**
- (3) the site is genuinely redundant;**
- (4) development proposals that result in a net increase of one or more dwellings within 7km of the Ashdown Forest comply with Core Policy 10(3) of the Local Plan Part 1.**

**Alternative uses will be assessed by consideration of the characteristics of the site, its buildings and setting, the availability of local services and the appropriateness of the proposed use.**

## **IMPROVING ACCESS TO HOUSING**

4.26. The need to deliver an appropriate range of homes to meet the identified needs of the district, whilst accommodating new residential development in sustainable locations without adversely affecting the character of the area, are two key objectives of the Local Plan. Policy DM8 supplements Core

Policy 2 (*Housing Type, Mix and Density*) of the Local Plan Part 1 in seeking to help achieve these objectives. Proposals for new dwellings in the countryside, including affordable homes on exceptions sites, are addressed by Policies DM2, DM3, DM4 and DM5 in the 'Spatial Strategy' section of this document, whilst residential extensions and ancillary buildings are addressed by Policies DM28 and DM 29 in the section titled 'Protecting and Enhancing the Distinctive Quality of the Environment'.

## **Residential Sub-Divisions and Shared Housing**

- 4.27. The increase in the number of small households and rising house prices have increased the demand for small low-cost dwellings, particularly from single people and young couples on modest incomes. Apart from new build developments, one effective way of providing this type of accommodation is through the sub-division of existing family sized dwellings within the settlement planning boundaries.
- 4.28. It is acknowledged, however, that the conversion of single dwellings to flats can give rise to an increased requirement for off-street parking, as well as a need for the provision of adequate amenity space, which is both private and useable, and provision of refuse storage facilities for future occupants. The effect of a number of changes from single dwellings to multiple units in a street may also progressively change its character and appearance for the worse. This is particularly the case for terraced dwellings.
- 4.29. Other issues that may need to be addressed include the potential for increased noise and the overlooking impact on neighbouring households resulting from the use of upstairs rooms as main living rooms.

### **Policy DM8: Residential Sub-Divisions and Shared Housing**

**Within the planning boundaries, as defined on the Policies Map, proposals for the sub-division of existing dwellings to flats or the conversion of existing dwellings to houses of multiple occupation or other forms of shared housing will be permitted where the following criteria are met:**

- (1) there is adequate provision for car parking, private amenity space for residents, and storage for bicycles and recycling/refuse containers;**
- (2) the proposal would not result in unacceptable harm to the amenities of neighbouring residential properties through loss of privacy or daylight or levels of activity that give rise to excessive noise or disturbance;**
- (3) there would be no adverse impact on the character of the immediate**

**locality through the cumulative impact of physical alterations or extensions to the original dwelling or other structures;**

**Development proposals within 7km of the Ashdown Forest will only be permitted where they comply with Core Policy 10(3) of the Local Plan Part 1.**

## **PROMOTING SUSTAINABLE ECONOMIC GROWTH & REGENERATION**

4.30. The Local Plan seeks to stimulate a buoyant and balanced local economy, recognising both the role of the rural area and the contribution of tourism in terms providing employment opportunities, attracting investment and creating wealth. The policies in this section supplement Core Policies 4 (*Encouraging Economic Development and Regeneration*) and 5 (*The Visitor Economy*) of the Local Plan Part 1, and provide a more detailed framework for the consideration of proposals for the diversification and growth of the rural economy and for the retention and improvement of existing visitor accommodation within the district.

### **Farm Diversification**

4.31. National planning policy promotes the development and diversification of agricultural and other land-based rural businesses. Diversification can be described as any proposal which seeks to supplement income on working farms and is often vital to the continuing viability of many farm enterprises. The Council is supportive of well-conceived farm diversification schemes that contribute to sustainable development objectives and help to maintain the agricultural enterprise, provided that they are consistent in scale and design with their rural location.

4.32. The nature and extent of diversification should respect the landscape qualities of the countryside and accord with the protection of its distinct character and appearance. It should also take account of the Local Plan's spatial strategy, which seeks both to relate development to existing centres of population and to reduce reliance on the car for journeys to work. General infrastructure difficulties in servicing dispersed development should also be recognised. Certain types of development, such as those which generate high volumes of traffic or which would generate significant additional movements of heavy goods vehicles, particularly on unsuitable roads, may be inappropriate.

4.33. The Council encourages the submission of Farm Business Plans to indicate clearly the implications of diversification proposals on the continued

operation of the whole farm and to assist in weighing the environmental and economic issues, particularly where these are finely balanced. Such plans are informal and complementary to a planning application and can cover matters such as the implications for other land and buildings, possible demolition of unsightly buildings, landscape management, habitat improvement, public access, etc., as appropriate. It is unlikely that proposals for farm diversification could be supported for smaller parcels of land which are not part of a working farm. Proposals should be a secondary activity to the main farm enterprise and ideally will complement the daily farm activity.

### **Policy DM9: Farm Diversification**

**Development which forms part of a farm diversification scheme or otherwise helps maintain the viability of farm businesses engaged in sustainable land management will be permitted where the following criteria are met:**

- (1) the proposed development will stimulate new economic activity with a use appropriate to its rural location;**
- (2) wherever possible, new or replacement buildings are located within or adjoining an existing group of buildings;**
- (3) any new building responds sensitively to its rural setting, in terms of its scale, layout, design and use of materials;**
- (4) the proposed development would not create an unacceptable impact on the local road network or require highway improvements that would harm the landscape or ecological value of rural roads in the area.**

### **Employment Development in the Countryside**

- 4.34. In order to positively focus growth on sustainable settlements and to help protect the intrinsic character and beauty of the countryside, the towns will continue to be the focus of employment growth. Accordingly, large-scale employment development should normally be located within the settlement planning boundaries. However, the re-use or redevelopment of redundant buildings in the countryside can potentially provide an important source of employment space to assist in supporting the vitality of rural communities and local jobs.
- 4.35. Small-scale employment development outside of the planning boundaries will therefore be supported where it involves the re-use or replacement of redundant buildings and where it can be demonstrated that the business activity can be accommodated without harm to the rural character and

amenities of the area, or to the historic significance of any heritage assets. The replacement of existing buildings in the countryside for employment purposes will also be supported where it would result in a more acceptable and sustainable development than could be achieved through conversion.

- 4.36. It should be recognised that not all buildings in the countryside are suitable for conversion or replacement to accommodate new business uses. There are many minor sheds and shelters in the countryside which, due to their lightweight construction, do not readily lend themselves to conversion and, once redundant, are best demolished. In order to prevent the cumulative erosion of the distinctive character and qualities of the district's countryside, proposals for employment use will therefore normally only be acceptable where the building to be converted is structurally sound and capable of conversion to the proposed use without significant reconstruction, modification or extension.
- 4.37. Tourist or leisure facilities requiring new buildings will normally be expected to locate within existing towns and village planning boundaries, in accordance with the overall spatial strategy for the district. However, the conversion or replacement of existing rural buildings to provide visitor accommodation or leisure facilities may also be permitted outside of the planning boundaries provided that the proposed development meets the criteria set out Policy DM10 and Core Policy 5 (*The Visitor Economy*) of the Local Plan Part 1.
- 4.38. Matters such as the nature of the proposed use, hours of operation, noise levels, use of external areas, including parking and access arrangements, may be controlled by planning conditions and in some circumstances legal agreements will also be required. The Council will not normally support the re-use of buildings which are subject to a planning condition or condition of prior approval which requires their removal on cessation of agricultural use.
- 4.39. Redundant agricultural or other rural buildings often serve as bat roost or habitats for other protected species identified in the Countryside and Rights of Way Act 2000, the UK Biodiversity Action Plan, and other Regulations and Directives. The Council will therefore require an ecological impact assessment to accompany planning applications in order to identify protected species within the application site, set out any mitigation measures where necessary, and recommend appropriate measures for the enhancement of biodiversity.

## **Policy DM10: Employment Development in the Countryside**

**Outside the planning boundaries, as defined on the Policies Map, proposals for small-scale employment development, including tourist and leisure facilities, will be permitted where either:**

- (a) it involves the conversion or re-use of an existing agricultural or other rural building, or**
- (b) it comprises the demolition and replacement of an existing agricultural or other rural building where this would result in a more sustainable development than could be achieved through converting the building.**

**A building to be converted must be structurally sound and capable of conversion to the proposed use without the need for significant reconstruction, modification or extension. The Council will normally require this to be demonstrated through the submission of a structural survey.**

**All proposals for the conversion or replacement of an existing agricultural or other rural building must also satisfy all the following criteria:**

- (1) the detailed design responds sensitively to its rural setting, in terms of its scale, layout and use of materials;**
- (2) the siting and design respects the local landscape character, both in terms of immediate impact and distant views;**
- (3) the proposed boundary treatment is appropriate to a rural location and helps to integrate the development into the wider landscape;**
- (4) unobtrusive provision can be made for any associated servicing and parking facilities or plant, equipment or storage;**
- (5) External lighting, or light spillage from internal lighting, is kept to the minimum necessary for operational or safety purposes;**
- (6) the proposed use would not adversely affect the residential amenities of nearby properties by reason of the scale and nature of use, noise, dust, fumes or the general level and nature of activities;**
- (7) the proposed use would not create an unacceptable impact on the local road network or require highway improvements that would harm the landscape or ecological value of rural roads in the area.**
- (8) the proposed development would not prejudice any viable agricultural operations.**



## **Existing Employment Sites in the Countryside**

4.40. There are a number of existing industrial and commercial enterprises located outside of the settlement planning boundaries, including garden centres and nurseries. In order to help support the rural economy and, where appropriate, retain key employers, proposals for the redevelopment or intensification of existing employment sites will be supported in the countryside, subject to the criteria set out in Policy DM11. Environmental considerations remain important and such development will only be permitted where it can be demonstrated that the distinctive character of the local countryside will be conserved and that other amenity, traffic, access and layout considerations are satisfactorily addressed in keeping with the rural surroundings.

### **Policy DM11: Existing Employment Sites in the Countryside**

**Outside the planning boundaries, as defined on the Policies Map, the redevelopment or intensification of existing employment sites will be permitted for employment purposes where the following criteria are met:-**

- (1) the existing development and employment use is lawful;**
- (2) the proposed development would not detract from the distinctive rural character of the locality or local residential amenities by virtue of the nature and intensity of the use, noise, dust, fumes, the siting, design, scale and site coverage of the buildings, or its access requirements or associated traffic generation;**
- (3) proposals which would be likely to create a significant number of jobs are well located in relation to neighbouring towns or villages and readily accessible by public transport.**

**Exceptionally, the outward expansion of an existing employment site outside the planning boundaries will be permitted where it can be demonstrated that it would facilitate the retention of an employment use which is important to the local economy, subject to the above criteria and there being no suitable alternative site available. Proposals will be expected to deal comprehensively with the site as a whole and include measures to secure environmental improvements, such as enhanced landscaping and biodiversity gains.**

## **Caravan and camping sites**

4.41. The overarching policy approach in Core Policy 5 (*The Visitor Economy*) of the Local Plan Part 1 is to support tourist facilities, giving encouragement to retaining and improving the supply of visitor accommodation, including

caravan and camping sites. It is acknowledged that short stay holiday accommodation provided by caravan and camping sites contributes significantly to the local economy. However, whilst the Council wishes to ensure that there are adequate facilities for caravanning and camping within the district, this aim must be balanced against the need to protect and conserve the environment that attracts visitors in the first place.

- 4.42. Holiday caravan sites can be very intrusive in the landscape and static caravan sites can have a particularly damaging impact, especially on the exposed coastline. Touring caravan and camping sites generally have a lesser impact due to their lower density, seasonal use (mainly during the summer months when vegetation cover is greatest). In view of these considerations, proposals for new static caravan sites are unlikely to be permitted. However, proposals for the further provision of touring caravan and camping sites will be permitted subject to meeting the criteria set out in Policy DM12.
- 4.43. Within 7km of the Ashdown Forest, proposals for new caravan and camping sites, or extensions to existing sites that would increase the number of available pitches, will be required to contribute to the Joint Strategic Access Management and Monitoring (SAMM) Strategy for Ashdown Forest Special Protection Area. The SAMM Strategy will provide the necessary mitigation measures to avoid or reduce the impact of additional recreational pressures on the Forest and will be delivered by the Conservators of the Ashdown Forest in partnership with the relevant local authorities.

### **Policy DM12: Caravan and Camping Sites**

**Proposals for new or extended touring caravan and camping sites will be permitted where the following criteria are met:**

- (1) there is reasonable accessibility from the primary or secondary route network;**
- (2) the size and scale of the proposal would be compatible in terms of appearance and intensity of use with its location;**
- (3) the proposal would not be visually intrusive in the landscape and would be adequately screened, either by existing vegetation or by a landscape scheme that enables the development to be accommodated without detracting from the character and quality of the countryside;**
- (4) existing buildings or structures are used, where possible, to provide ancillary facilities;**

- (5) the design of any new buildings responds sensitively to its rural setting, in terms of its scale, layout and use of materials**
- (6) in the case of extensions to existing sites, the proposals should result in an improved layout and landscaping.**

**Conditions will be applied to limit the use of the site in order to preclude its use as permanent residential accommodation or as winter storage for touring caravans. Proposals for new static caravan sites will not be permitted.**

## **Existing Visitor Accommodation**

- 4.44. The availability of a wide range of high quality visitor accommodation is necessary for a successful tourist industry. Visitor accommodation attracts overnight stays, generates income from spending by staying visitors, and provides important employment and business opportunities. It is therefore important to resist the loss of such accommodation unless a sound economic case can be demonstrated in accordance with Policy DM13. Where an application is made that would result in the loss of existing visitor accommodation, it will need to be supported by evidence of at least 12 months active and continuous marketing of the property for visitor accommodation at an appropriate market level. Details of the numbers and types of interested parties and their reasons for not pursuing their interest in the property for visitor accommodation will be expected.

### **Policy DM13: Existing Visitor Accommodation**

**Development which would result in the loss of existing visitor accommodation, including touring caravan and camping sites, will only be permitted where it can be demonstrated that either:**

- (1) the building or land is no longer suitable to accommodate the current use and it is not economically viable to retain, enhance or reinstate the visitor accommodation through redevelopment of the site; or**
- (2) there is no demand for the accommodation and it can no longer make a positive contribution to the local economy.**

## **CREATING HEALTHY, SUSTAINABLE COMMUNITIES**

- 4.45. The policies in this section supplement Core Policy 7 (*Infrastructure*) and Core Policy 8 (*Green Infrastructure*) of the Local Plan Part 1. They seek to promote healthy, sustainable communities by informing the design and

layout of development proposals and increasing opportunities for recreation, exercise and relaxation. The aim is to achieve an improved network of multi-functional green infrastructure that will open up opportunities for physical activity and social inclusion and provide wider community benefits, such as the conservation and enhancement of landscape character and biodiversity.

- 4.46. Since the adoption of the Local Plan Part 1, 11.8 ha of public open space has been provided at Newick, funded by new housing development in the village. This area comprises meadows, woodland, streams and ponds, providing Suitable Alternative Natural Greenspace (SANG) to help mitigate the impact of new development on the Ashdown Forest Special Protection Area. Significant improvements to outdoor play space provision have also been achieved at Newhaven, Peacehaven, Telscombe, Seaford and Wivelsfield, funded by housing development in these locations.
- 4.47. The Council expects the design of new open spaces in development proposals to take account of the range of technical guidance available through organisations such as Fields in Trust, Sport England and the Landscape Institute.

## **Green Infrastructure**

- 4.48. Core Policy 8 (*Green Infrastructure*) of the Local Plan Part 1 sets out the overall strategic framework for managing and enhancing the green infrastructure network across the district. Green infrastructure maintains critical ecological links between town and country and provides us with essential ecosystem services such as flood protection, clean air and water, carbon storage, food and materials. It also provides us with cultural services, such as access to the wider countryside, and health and well-being benefits through opportunities for walking, cycling and other activities, as well as contributing to the economy through the creation of attractive environments which can encourage business investment.
- 4.49. Unless development is carefully managed, there is a risk that it could result in increased pressure on existing green infrastructure resources and contribute to the future fragmentation, loss and deterioration of the district's habitats and species. However, at an individual site level, development can provide an opportunity to enhance the quality and quantity of green infrastructure, as well as improving its accessibility and connectivity, and ecological and social value. Policy DM14 therefore seeks to ensure that green infrastructure is delivered as an integral part of the design of new development proposals and achieves multiple environmental, social and economic benefits where appropriate.

## **Policy DM14: Multi-functional Green Infrastructure**

**Development will be permitted where opportunities for the provision of additional green infrastructure have been fully considered and would be provided where justified by the character of the area or the need for outdoor playing space. Green infrastructure provided as part of new development should incorporate features to encourage biodiversity and retain or, where possible, enhance existing features of nature conservation value within the site. Existing ecological networks should be identified and ecological corridors should, where practical and appropriate, form an essential component of green infrastructure provision to ensure habitat connectivity.**

### **Outdoor Playing Space**

- 4.50. In line with Government guidance, it is considered essential that adequate provision for outdoor playing space is made in association with new housing developments in order to meet the recreational needs of new residents and to avoid exacerbating existing deficiencies. The existence of outdoor playing space encourages people to adopt an active lifestyle and also helps residents, both young and old, to play and socialise with others.
- 4.51. The Council therefore seeks to ensure that the provision of outdoor play and informal recreation space meets the needs arising from new development. The Council's adopted standards for outdoor playing space are based on benchmark guidelines published by Fields in Trust (FiT) to address issues of quantity, quality and accessibility (*Guidance for Outdoor Sport and Play: Beyond the Six Acre Standard, FiT 2015*).
- 4.52. Currently the overall provision of outdoor playing space in the district's towns and villages indicates that most fall below the FiT recommended levels, with a particular deficiency in the provision of children's play space. Consultation with the town councils confirms the overall deficiency at a local level, a situation that is often emphasised by local sports clubs and organisations.
- 4.53. The opportunities for providing additional outdoor sports facilities are limited due to the lack of sites in Council ownership. However, the Community Infrastructure Levy (CIL) provides a source of funding to enhance existing facilities, for example by the improved drainage of pitches, the provision of all-weather pitches, or the upgrading of ancillary facilities, to enable them to be used more intensively.

## **Policy DM15: Provision for Outdoor Playing Space**

**The Council will seek to achieve provision of outdoor playing space, which is as a matter of practice and policy available for public use, to the following minimum standards:**

- (a) 1.6 ha per 1000 population for outdoor sports, including playing pitches, tennis courts, and bowling greens;**
- (b) 0.25 ha per 1000 population for equipped/designated children's play space;**
- (c) 0.3 ha per 1000 population for other outdoor provision (multiple use games areas and skateboard parks).**

**In areas where there is deficiency of outdoor playing space in either quantitative or qualitative terms, the impact of the increase in population from new residential development will be mitigated either by on-site provision or by the use of the Community Infrastructure Levy to secure the provision of new, or the enhancement of existing, outdoor playing space and facilities.**

## **Children's Play Space**

- 4.54. Outdoor play is important to children's health and well-being. It helps to develop their physical abilities and their emotional responses. Lack of consideration for children's play in the past has led to them playing in potentially dangerous areas such as roads, railway embankments, or close to homes on spaces not designed for play with consequential disturbance problems. The Council, in partnership with town and parish councils, continues to provide and maintain children's playgrounds and playing fields but considers that a complementary role should be played by house builders in terms of providing opportunities for play within new housing developments.
- 4.55. The provision of on-site children's play space will therefore be required within new housing developments of 20 dwellings or more, as set out in Policy DM16. The scale of provision should relate to the demand generated by the development, calculated by the average household size of the relevant town or parish, and the existing level and quality of children's play space provision in the locality using the FiT benchmark guidelines. An exception to this policy will be made in the case of one bedroom units, sheltered housing or other specialist accommodation for the elderly/retired, and student housing.
- 4.56. Children's play space should be located within a short walking distance of homes, with safe and convenient pedestrian access. It should be designed

to minimize vandalism, avoid nuisance to neighbours and allow easy supervision. There should be a combination of designated equipped play areas and informal play space which should be safe, secure and stimulating. Play equipment should be designed, manufactured, installed and maintained in accordance with European Standards EN1176 and EN1177. Account should also be taken of existing national guidance, including *Design for Play: A guide to creating successful play spaces* (Play England, 2008).

### **Policy DM16: Children's Play Space in New Housing Development**

**Residential developments of 20 dwellings or more will only be permitted where children's play space is provided on-site in accordance with the minimum standards set out in criteria (b) of Policy DM15. This space should be:**

- (1) integral to the overall design and layout of the development;**
- (2) sited in safe, open and welcoming locations which are overlooked by dwellings and well used pedestrian routes;**
- (3) provided with seating for accompanying adults;**
- (4) additional to any incidental amenity space;**
- (5) properly drained, laid out, landscaped and equipped for use at an agreed stage or stages no later than the completion of the final dwelling of the development.**

**The above standard will not be applied in the case of one-bedroom dwellings or specialist accommodation for older people or students.**

### **Former Lewes/ Sheffield Park Railway Line**

4.57. It is unrealistic to protect the route of the former Lewes/Sheffield Park Railway Line for future potential use as a public transport corridor because parts of the track have been developed. However, part of the route is currently used as a bridleway and much of the undeveloped part of the route provides a valuable wildlife habitat. The Council will therefore encourage opportunities to increase access to the countryside by enabling the provision of a footpath, cycleway or bridleway along the undeveloped part of the former line.

### **Policy DM17: Former Lewes/Sheffield Park Railway Line**

**Informal recreational uses, such as walking, cycling and horse-riding, will be**

**permitted along the route of the undeveloped part of the Lewes/Sheffield Park railway line where it can be demonstrated that such uses would maintain or enhance the biodiversity value of the route. Development which would prejudice such uses will not be permitted unless proposals are accompanied by alternative route provision.**

## **Recreation and Rivers**

4.58. The River Ouse and its hinterland offer potential as a recreational resource, both for water-based activities and for walking, cycling and horse-riding, provided that such activities can be accommodated without adversely affecting the integrity of any river or tidal defence embankment. However, it is important to ensure that the tranquil character of the river corridor and its wildlife and geological features are protected, in particular taking into account the impact of traffic and parking on this sensitive environmental location. Policy DM18 therefore sets out the circumstances in which recreational development affecting the River Ouse and its hinterland would be acceptable.

### **Policy DM18: Recreation and Rivers**

**Development proposals for recreational use on the River Ouse, its margins and associated wetlands (as defined on the Policies Map) will be permitted where it can be demonstrated that there would be no adverse impact, either directly or indirectly, on their quiet and natural character, wildlife or geological features or on the natural functioning of the river and associated wetlands.**

## **PROTECTING AND ENHANCING THE DISTINCTIVE QUALITY OF THE ENVIRONMENT**

4.59. The high quality of the district's natural and built environment is one of its major assets and valued by residents and visitors alike. Its value for wildlife is recognised by 16 Sites of Special Scientific Interest, including two Special Areas of Conservation designated under the European Habitats Directive. The district also has a rich legacy of heritage assets, including 35 Conservation Areas. It is vital to ensure that these valued environmental resources are protected and enhanced wherever possible. The policies in this section supplement Core Policies 9 (*Air Quality*), 10 (*Natural Environment & Landscape Character*) and 11 (*Built & Historic Environment and High Quality Design*) of the Local Plan Part 1. They seek to provide a framework within which natural and built assets can be effectively protected



and prudently managed through the control and implementation of development proposals.

## **Protection of Agricultural Land**

- 4.60. Farming activity varies across the district according to differing soils, topography, drainage and tradition. Local planning authorities are expected to take into account the economic and other benefits of the best and most versatile agricultural land (land in grades 1, 2 and 3a of the Agricultural Land Classification) and use areas of poorer quality land in preference to that of a higher quality where the significant development of agricultural land is unavoidable. Protecting the best and most versatile agricultural land is not only important for food production but enables further environmental benefits to be realised, such as flood alleviation or aquifer recharge.

### **Policy DM19: Protection of Agricultural Land**

**Development that would result in the irreversible loss of the best and most versatile agricultural land (Grades 1, 2, 3a in the DEFRA Agricultural Land Classification System) will not be permitted unless it can be demonstrated that there are no suitable alternative locations and the proposal would have overriding sustainability benefits that outweigh the loss of land from agricultural use.**

## **Pollution Management**

- 4.61. The control of pollution is largely regulated by the Environment Agency and the Council's Director of Service Delivery, in consultation with the Health & Safety Executive, through the Environmental Protection Act 1990 and related legislation. However, any unacceptable risk from pollution arising from the development and use of land can be a material planning consideration and should be taken into account in the determination of planning applications. The Council will therefore use its planning powers to ensure that development with the potential to cause pollution or other harmful environmental effects is appropriately located and its impact on other land uses carefully managed. The aim is to provide a safe and healthy environment for those who live and work in the district.

## **Policy DM20: Pollution Management**

**Development that may potentially contribute to, or be adversely affected by, unacceptable levels of soil, air, water, noise or light pollution will only be permitted where it can be demonstrated that:**

- (1) its location is appropriate in terms of land use in relation to the uses in the surrounding area;**
- (2) the development will not have an unacceptable impact on health, the natural environment or general amenity;**
- (3) the development will not have an adverse impact on the use of other land;**
- (4) where relevant, the appropriate after-use of land can be secured**

## **Land Contamination**

4.62. Any land contaminated with hazardous or toxic materials is potentially a serious cause of pollution. Contamination can result from previous uses of the site, for example, industrial processes involving chemicals or closed waste disposal sites where landfill gas and leachate are still present. The NPPF places the onus with the developer and/or landowner for securing a safe land/development. It also requires a risk assessment of land potentially affected by contamination and expects all investigations to be undertaken in accordance with established practices such as BS10175 (2013) 'Code of Practice for the Investigation of Potentially Contaminated Sites'.

4.63. The Council needs to ensure that the implications of contamination for a new development not addressed by other legislation are properly considered through the planning system. Policy DM21 provides the framework for considering planning applications where land contamination issues are involved. There is further information on land affected by contamination contained in the national Planning Practice Guidance and an overview of contaminated land produced on the GOV.UK website which should also be referred to prior to submitting a planning application.

## **Policy DM21: Land Contamination**

**Development proposals on a site is that is known or suspected to be affected by contamination will only be permitted where the Council is satisfied that all works, including investigation of the nature of any contamination, can be undertaken without escape of contaminants that could cause unacceptable risk to health or to the environment. Information should be provided detailing the methodology by which risks will be addressed and ensuring the treatment and/or removal of all contaminants prior to the commencement of development. Development will not be permitted unless practicable and**

**effective measures are taken to avoid:**

- (1) exposing the future occupiers and users of the development to unacceptable risk;**
- (2) threatening the structural integrity of any building or structure built on or adjoining the site**
- (3) causing the contamination of any water course, water body or aquifer;**
- (4) causing the contamination of adjoining land or allowing such contamination to continue;**
- (5) damaging or putting at risk the quality of the natural environment.**

## **Water Resources and Water Quality**

- 4.64. The protection and enhancement of water quality in rivers and other water bodies is important in terms of sustaining the supply of water and the ecology and general amenity of the district. Lewes district has an extensive and varied water environment, including chalk aquifers, chalk streams, the Ouse and Cuckmere rivers, lakes and ponds, springs, and the sea. The Water Framework Directive establishes a statutory framework for the protection of groundwater and inland surface waters, estuaries, and coastal waters.
- 4.65. All new development should ensure that there will be no adverse impact on the water environment, both within the district and beyond, through surface or storm water run-off, water abstraction or sewerage discharge in accordance with the Water Framework Directive. The appropriate management of surface water run-off is addressed by Core Policy 12 (*Flood Risk, Coastal Erosion, Sustainable Drainage and Slope Stability*) of the Local Plan Part 1.
- 4.66. The protection of ground water is particularly important in Sussex, since the majority of the public water supply is abstracted from water-bearing strata or aquifers. These features also provide an important water source for rivers, sustaining flow in dry periods, and for other wildlife habitats. The quality of ground water is easily polluted, directly and indirectly, and can pose a serious risk to public health. It is better to prevent contamination at source rather than treat it afterwards.
- 4.67. The Environment Agency has defined Groundwater Source Protection Zones which indicate where there are likely to be particular risks to the quality or quantity of groundwater. Applicants should consider any possible impact of proposed development on groundwater recharge, flows and levels. If it is anticipated that works may penetrate the natural winter water table then the impact of such works will need to be assessed and discussed with the

Environment Agency. If detrimental consequences for the water environment are likely, agreed mitigation measures will be necessary.

## **Policy DM22: Water Resources and Water Quality**

**Development will be only permitted where it can be demonstrated that it would not result in:**

- (1) unacceptable risk to the quality and quantity of surface and groundwater (including reservoirs); or**
- (2) changes to groundwater and surface water levels that would have unacceptable adverse impacts on:**
  - (a) adjoining land;**
  - (b) the quality of groundwater resources or potential groundwater resources;**
  - (c) the potential yield of groundwater resources, river flows or natural habitats.**

**Work beneath the water table will not be permitted unless there is a comprehensive groundwater management scheme agreed for the construction, operation, restoration and on-going management of the proposal.**

## **Noise**

- 4.68. The planning system has a role in seeking to ensure that new noise sensitive development, such as housing and schools, is not located close to existing sources of noise, including industrial uses and noise generated by vehicles and other forms of transport that would lead to nuisance. It should also ensure that potentially noise creating uses such as some industrial processes or some recreational activities are not located where they would be likely to cause nuisance. Where this is not possible, planning conditions will be imposed to secure adequate mitigation. This approach is reflected in Policy DM23. The national Planning Practice Guidance provides further guidance on addressing noise related development and additional information is available in the 'Explanatory Note to the Noise Policy Statement for England' (DEFRA).

## **Policy DM23: Noise**

**Residential and other noise sensitive development will be only permitted where it can be demonstrated that users of the development will not be exposed to unacceptable noise disturbance from existing or future uses.**

**Noise-generating development will only be permitted where it can be demonstrated that nearby noise sensitive uses (existing or planned) will not be exposed to noise impact that will adversely affect the amenity of existing or future users. Where appropriate, proposals will be required to mitigate noise impacts through careful planning, layout and design. In assessing mitigation proposals, account will be taken of;**

- 1) the location, layout and design of the proposed development;**
- 2) existing levels of background noise;**
- 3) measures to reduce or contain generated noise**
- 4) hours of operation and servicing**

**Where noise sensitive uses are likely to be exposed to significant or unacceptable noise disturbance, the Council will require that applications are supported by a Noise Impact Assessment prepared in accordance with the Planning Noise Advice Document: Sussex (July 2015) or any subsequent updated document. Development that would expose noise sensitive uses to unacceptable noise levels will not be permitted.**

## **Protection of Biodiversity and Geodiversity**

4.69. It is important to recognise the value of the natural environment in planning for our future, not least because of the crucial role it plays in sustaining human life. The district's natural environment is one of its greatest assets and supports a range of habitats, species and other features that contribute to biodiversity or geodiversity value, including internationally and nationally important sites. It is essential that these are protected, and where possible enhanced, in accordance with Core Policy 10 (*Natural Environment & Landscape Character*) of the Local Plan Part 1.

4.70. Sites and areas recognised for their biodiversity and geodiversity value in Lewes District include:

- European Sites of International Importance
- Sites of Special Scientific Interest
- National Nature Reserves
- Local Nature Reserves
- Wildlife Trust Reserves
- Local Wildlife Sites

- 4.71. Details of the international and national designations can be obtained from Natural England, whilst information on Local Nature Reserves, Wildlife Trust Reserves and Local Wildlife Sites can be obtained from the Council.

*Internationally Designated Sites*

- 4.72. Lewes District contains two Special Areas of Conservation (SAC) – Castle Hill and Lewes Downs – which are both located outside of the Plan area. These sites have been designated under the European Habitats Directive that provides for the protection of species of European importance and the habitats that support them through the establishment of a network of protected sites called Natura 2000. The aim of this network is to assure the long-term survival of the most threatened species and habitats, with the emphasis placed on sustainable management, both ecological and economical.
- 4.73. The provisions of the European Habitats Directive have been transposed into UK law through a range of acts and regulations, most recently the Conservation of Habitats and Species Regulations 2010. Any development that may have an impact on a European Site will be required to undertake a Habitat Regulations Assessment. If this Assessment concludes a likely significant effect then an Appropriate Assessment will be required.
- 4.74. The Ashdown Forest SAC and Special Protection Area (SPA) is located wholly outside of Lewes District. However, a Habitats Regulation Assessment undertaken on the Local Plan Part 1 concluded that development in that part of the district within 7km of the Ashdown Forest, in combination with development in neighbouring districts, could have a significant adverse impact on protected species within the SAC and SPA. Additional residential development within 7km of the Ashdown Forest is therefore required to mitigate its potential harm in accordance with criterion 3 of Core Policy 10 of the Local Plan Part 1.
- 4.75. The necessary provision for Suitable Alternative Natural Greenspace (SANG) to help mitigate the impact of new residential development on the Ashdown Forest SAC and SPA has been made on 11.8ha of land at Reedens Meadow on the edge of Newick village. All development proposals that result in a net increase of one or more dwellings within 7km of the Ashdown Forest will be required to contribute towards the future management and monitoring of the SANG, as well as the implementation of the Strategic Access Management and Monitoring Strategy (SAMMS) for the Ashdown Forest. Lewes, Wealden and Tandridge District Councils, in partnership with the Conservators of the Ashdown Forest, have produced a

SAMMS guidance document and tariff for the collection of the necessary contributions.

#### *Nationally Designated Sites*

- 4.76. The Plan area includes four Sites of Special Scientific Interest (SSSIs) that have been designated for their national biological or geological interest. SSSIs are given a high level of protection through both the planning and legal systems. The Beachy Head West Marine Conservation Zone (MCZ) was designated in 2013 and runs parallel to the district's coastline between Brighton to the west and Beachy Head to the east.
- 4.77. The Countryside and Rights of Way Act 2000 makes provision for the notification, protection and management of SSSIs, whilst the Wildlife and Countryside Act (1981) places a general duty on local authorities to take reasonable steps to further the conservation and enhancement of the features for which the sites are designated. There is not a requirement for the 'Appropriate Assessment' process for SSSIs, but developments likely to impact on a SSSI will normally require an Environmental Impact Assessment.

#### *Local Sites*

- 4.78. There are three Local Nature Reserves, one Wildlife Trust Reserve and 49 Local Wildlife Sites within the Plan area. These local sites do not receive the same legal protection as internationally or nationally designated sites. Nevertheless, they have been identified and selected locally for their substantive nature conservation value, based on important, distinctive and threatened habitats and species and geological features. Collectively they represent an essential part of the district's critical stock of natural capacity.

#### *Habitats of principal importance*

- 4.79. Habitats of principal importance for the purpose of conserving biodiversity in England are identified under Section 41 of the Natural Environment and Rural Communities Act 2006. They do not receive statutory protection but potential adverse impacts upon them will be taken into account by the Council in the consideration of development proposals. In partnership with other bodies and organisations, the Council seeks to promote the preservation, restoration and re-creation of priority habitats and the protection and recovery of priority species populations, linked to national and local targets.

*Managing sites of nature conservation or geological sites*

- 4.80. The Council will give priority to the protection, enhancement and management of the areas listed above, seeking to ensure their integrity and increase their ecological resilience in order to enhance landscape character, protect and increase biodiversity, and establish a coherent ecological network resilient to current and future pressures. Development that has potential to harm these areas listed will not be permitted unless the circumstances set out in Policy DM24 are met.
- 4.81. Protected species, which often exist on designated habitats, are the subject to specific legislation under the European Birds and Habitats Directives and the Wildlife and Countryside Act (1981). Nevertheless, the existence of protected species is a material consideration in the determination of planning applications. Development proposals should therefore assess the likely impact, including cumulative impact, on protected species both on and in close proximity to the development site. Such an assessment should be informed through consultation with the Sussex Biodiversity Record Centre<sup>17</sup>.
- 4.82. In the same way, all development proposals affecting designated sites, important habitats, or other biodiversity or geodiversity features should be accompanied by up-to-date information proportionate to their nature conservation value. The type of assessment needed will vary from a biodiversity survey and report through to EIA and Appropriate Assessment if a European Site is involved. Such an assessment should be informed through consultation with the Sussex Biodiversity Record Centre. National guidance is available on how and when to undertake such assessments.
- 4.83. It is important to bear in mind that the survey work needed to inform such assessments will be seasonally restricted. Discussion of biodiversity survey needs at pre-application stage can help reduce the likelihood of delays resulting from requirements for survey being identified at a later stage. All ecological reports should include findings of the survey, details of the survey methodology and assessment of the impacts. They should also contain details of avoidance, mitigation, compensation and enhancement measures to enable report recommendations to be conditioned and enforced in accordance with Policy DM24.
- 4.84. Any harm or loss to a designated site should only occur as a last resort and should be compensated by replacement with a feature of comparable or higher ecological value. Where, very exceptionally, a species population

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<sup>17</sup> <https://sxbrc.org.uk/home/>



needs to be moved to make way for development, work should be undertaken to an appropriate professional standard with the aim of improving the local status and security of that population. All off-site work necessary to ensure the survival of the translocated species or habitat should be undertaken prior to the start of the development.

#### **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 that 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 developments, will only be permitted where the benefits of the development 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 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.**

## Design

- 4.85. High quality design (including architecture, urban design and landscape architecture) is fundamental to the creation of high quality places. It influences safety and security, encourages economic investment, and contributes to community cohesion and inclusion. The design of the built environment can promote increased levels of walking and cycling to address health and well-being, as well as addressing the causes and effects of our changing climate.
- 4.86. High quality design is crucial if the towns and villages within the District are to maintain and enhance their valued local distinctiveness, and emerge as more sustainable and higher quality settlements that thrive economically, socially and culturally. The Council does not wish to stifle innovative design especially in areas where the existing design quality is poor and vernacular design cues are weak or absent. However, contemporary and innovative design will still be required to follow good design principles and achieve satisfactory standards to ensure that new development reinforces a sense of place.
- 4.87. The detailed criteria in Policy DM25 should be read in conjunction with Core Policy 11 (*Built & Historic Environment and High Quality Design*) and other relevant policies in the Local Plan Part 1. The NPPF and Planning Practice Guidance, together with best practice guidance in the *Manual for Streets* (Parts 1 & 2), *By Design*, and *Building for Life 12*, also provide advice on the design assessment of development proposals.
- 4.88. Building for Life 12 is endorsed by the government and is the industry standard for the design of new residential development. All development schemes with 10 or more dwellings will therefore be assessed using the Building for Life 12 design assessment tool (or equivalent methodology, as identified by the Council, should this be superseded within the Local Plan period). As a guide, development should seek to achieve a score of no 'reds', design out all 'ambers', and achieve a majority of 'greens'.

### Policy DM25: Design

**Development which contributes towards local character and distinctiveness through high quality design will be permitted where the following criteria are met:**

- (1) Its siting, layout, density, orientation and landscape treatment respond sympathetically to the characteristics of the development site, its**

**relationship with its immediate surroundings and, where appropriate, views into, over or out of the site;**

- (2) its scale, form, height, massing, and proportions are compatible with existing buildings, building lines, roofscapes and skylines;**
- (3) it incorporates high quality, durable and sustainable materials of an appropriate texture, colour, pattern and appearance that will contribute positively to the character of the area;**
- (4) existing individual trees or tree groups that contribute positively to the area are retained;**
- (5) adequate consideration has been given to the spaces between and around buildings to ensure that they are appropriate to their function, character, capacity and local climatic conditions;**
- (6) any car parking or other servicing areas are appropriate to the context and sensitively located and designed so as not to dominate the public realm;**
- (7) there will be no unacceptable adverse impact on the amenities of neighbouring properties in terms of privacy, outlook, daylight, sunlight, noise, odour, light intrusion, or activity levels;**
- (8) major developments will promote permeable, accessible and easily understandable places by creating spaces that connect with each other, are easy to move through and have recognisable landmark features;**
- (9) residential developments of 10 or more dwellings should demonstrate how the 'Building for Life 12' criteria have been taken into account and would be delivered by the development.**

**Development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions will not be permitted.**

- 4.89. The provision of suitable waste management facilities within new developments is fundamental if waste reduction and recycling targets are to be met. Refuse and recycling storage and collection facilities should be designed to be convenient and easily accessible but also be as unobtrusive as possible within the public realm. They should be of a suitable size to accommodate all the refuse containers to meet the needs of residents and the refuse collection service. If sited at the front of the property, such facilities should be screened from public footways or enclosed in a well-ventilated cupboard. If convenient external access to rear gardens is available, bin storage may be accommodated to the rear of the property.

Refuse storage facilities should not result in dark recesses or a cluttered or shabby appearance.

## **Policy DM26: Refuse and Recycling**

**Accessible, well-designed and easy to use waste and recycling facilities will be needed in new developments to help the Council meet its recycling targets. Refuse and recycling storage and collection facilities should be considered at the beginning of the design process in new development to ensure that:**

- **Adequate refuse and recycling facilities are provided to serve the development.**
- **Storage of wheelie bins, communal waste bins and refuse sacks do not detract from the street-scene, obstruct access or detract from residential amenity.**
- **There is convenient access, both for occupiers of the properties and for the collection vehicles and workers.**

4.90. The importance of trees and green spaces in delivering high quality places is now widely recognised. The Council expects such features to be incorporated in development proposals in order to enhance landscape character and biodiversity and provide other sustainability benefits, such as improved air quality, shelter and shade. Landscape schemes should be an integral part of the design process.

4.91. Trees are an important element of green infrastructure provision, contributing to urban cooling and providing micro-climatic effects that can reduce energy demands in buildings. They therefore represent a key resource in terms of climate change adaptation. Tree planting should be used to help shape the built environment and new development in a way that strengthens the distinctive character and diversity of the district and increase climate change resilience.

4.92. Applicants will be expected to refer to the latest British Standards BS5837 best practice guidance for guidance on assessing the quality and contribution of trees on and adjacent to development sites, their protection during development, and incorporating them into the design of development. It will be necessary to have regard to future problems that can occur due to the proximity of trees and buildings and applicants are encouraged to seek expert advice where appropriate.

4.93. The Council will also seek to ensure that landscaped areas provided as part of new development schemes are properly maintained in the future, in accordance with the latest British Standards BS4428 best practice guidance.

This is particularly important in terms of communal amenity areas for the benefit of occupiers or the wider community. Further tree and landscape advice is available on the Council's website.

## **Policy DM27: Landscape Design**

**Where appropriate, development proposals should demonstrate a high quality of landscape design, implementation and management as an integral part of the new development. Landscape schemes will be expected to:**

- (1) reflect, conserve or enhance the character and distinctiveness of the local landscape or streetscape and integrate the development into its surroundings, adding visual interest and amenity;**
- (2) encourage adaptation to climate change by, for example, providing areas to assist with flood mitigation or tree planting to assist with carbon capture and urban cooling;**
- (3) retain and incorporate existing healthy mature trees and hedgerows and replace any trees that need to be removed with trees of an appropriate species;**
- (4) where practicable, use material excavated from the site for re-contouring, infilling and top-soiling, ensuring that any land re-modelling respects the local topographic character;**
- (5) where appropriate, take opportunities to connect the development site to the existing green infrastructure network.**

## **Residential Extensions**

4.94. Extensions and alterations to dwellings are often a means of enabling people to better meet their housing needs without moving. Not all such proposals need planning permission (although they generally require approval under the Building Regulations). However, where permission is required they will be considered in terms of:

- relationship with the character and appearance of the principal building
- compatibility with the general character of the locality
- impact on the amenities of neighbouring properties

4.95. In order to demonstrate that a proposal will contribute positively to the character of the site and the surroundings and that due regard is given to how it will relate to both the dwelling and neighbouring development,

planning application drawings (elevations and sections) should show proposals in the context of adjacent buildings.

- 4.96. The retention of sufficient external private space to meet the continuing requirements of the original dwelling is essential in respect of proposals for extensions, including the retention of adequate space for gardens, refuse/recycling facilities and off-street parking. These considerations are covered specifically by Core Policy 11 (*Built & Historic Environment and High Quality Design*) of the Local Plan Part 1 and Policy DM25 (*Design*).
- 4.97. Detailing and materials can be critical to a successful extension or other ancillary building. Every effort should be made to retain and, where appropriate, repeat any distinctive architectural features and materials that contribute positively to the character of the host building, including facing bricks, roof tiles, window frames, doors and rain water pipes.
- 4.98. In relation to side extensions, particular care should be taken to avoid infilling the gaps between detached or semi-detached houses where these are an important characteristic of the locality, as it may result in a cramped, ‘terracing effect’ and detract from the character of the dwelling and the street scene. It is considered good design practice to set side extensions back from the front elevation of the existing dwelling.
- 4.99. Extensions, alterations or new outbuildings can also adversely impact on adjoining properties in terms of:
- having an overbearing presence through their size and position (generally referred to as its “massing”)
  - overlooking or loss of privacy
  - loss of sunlight or daylight through overshadowing of habitable rooms or gardens
- 4.100. In considering these factors, regard will be had as to whether there is a significant change in level between properties, as this may increase the impact of an extension on the amenity of neighbours’ homes.

### **Policy DM28: Residential Extensions**

**Extensions and alterations to dwellings will be permitted where the following criteria are met:**

- (1) the materials and design, including the pitch, style and span of the roof, complement and enhance the character and appearance of the host building;**

- (2) the design respects and responds positively to the scale, height, site coverage, bulk, massing and character of the adjacent properties and the wider street scene – in streets which have a definite architectural rhythm and similar style of dwelling, front extensions will not normally be acceptable;**
- (3) two storey or second storey extensions at first floor level will normally be required to retain at least a one metre gap to the side boundary to prevent the creation of a ‘terraced’ appearance;**
- (4) extensions would not result in unacceptable overlooking of, or loss of daylight to, the nearest habitable rooms or private amenity space of neighbouring dwellings. They should normally be restricted to within a line drawn from the mid-point of the nearest ground floor window of a habitable room of the neighbouring property. The line should be projected 60° for single storey extensions and 45° degrees for two storey extensions.**

**Outside the planning boundaries, as defined on the Policies Map, dwelling extensions will only be permitted where there would be no harmful impact on the surrounding landscape.**

## **Garages and other buildings ancillary to existing dwellings**

- 4.101. Ancillary buildings within the curtilages of residential properties can frequently be erected without the need for planning consent. Nevertheless, when permission is required, the siting of garages and other outbuildings needs careful consideration in terms of the relationship with the main dwelling and with the established street-scene. Care should be taken to avoid cramping or cluttering the site, or adversely affecting the amenities of neighbouring properties. In the case of garage proposals, internal floorspace dimensions should comply with approved parking guidance in accordance with Core Policy 13 (*Sustainable Transport*) of the Local Plan Part 1.
- 4.102. Within the countryside, it is important that ancillary buildings are sympathetic to landscape character and quality and do not ‘suburbanise’ their rural surroundings through the use of inappropriate building styles or materials. Converted traditional farm buildings are particularly vulnerable to harm by the addition of poorly designed garages, sheds and other outbuildings that can potentially undermine the intrinsic character of the original building or its rural setting.
- 4.103. Residential annexes have grown in popularity in recent years and are commonly developed to provide additional semi-independent accommodation for members of the same family, particularly older relatives

who may need additional care and support. To qualify as an annexe as opposed to a separate dwelling, it must share the same access, parking and amenity space as the main dwelling house. Annexes should also be smaller or subordinate to the main dwelling and should not be designed to be capable of being sold or let as a separate unit. In principle, annexes are considered acceptable within the settlement planning boundaries but stricter criteria will be applied to proposals outside of the planning boundaries to ensure that the intrinsic beauty and character of the countryside is protected.

### **Policy DM29: Garages and other buildings ancillary to existing dwellings**

**Garages and other buildings ancillary to an existing dwelling will be permitted where the following criteria are met:**

- (1) the size, scale, siting and design relates satisfactorily to the existing dwelling and its curtilage, the established street scene, and the character of the locality;**
- (2) the use of materials is sympathetic to the character and appearance of the existing dwelling.**

**Outside the planning boundaries, as defined on the Policies Map, garages and other ancillary domestic buildings should be subordinate in scale and proportion to, and located in close proximity to, the principal dwelling; the use of ancillary accommodation as a separate dwelling will not be permitted and proposals should not be of a size or design, or be capable of severance, to form an additional dwelling or dwellings.**

## **Backland Development**

4.104. The construction of a dwelling or dwellings on parts of large back gardens attached to existing houses is a common form of development within towns and villages and can provide a useful source of new homes. However, such development requires careful planning, particularly in relation to the provision of access and parking, the amenities of neighbouring properties, and the character and quality of the local environment. 'Tandem' development, where a house is constructed immediately behind another house and shares the same access, is rarely satisfactory due to the difficulties of access to the house at the rear and the disturbance and loss of privacy suffered by the house at the front. Nevertheless, the development of small vacant sites within established residential areas may often be appropriate and the criteria set out in Policy DM30 provides the framework for assessing such proposals.



## **Policy DM30: Backland Development**

**Within the planning boundaries, as defined on the Policies Map, development in rear domestic gardens and other backland sites will be permitted where the following criteria are met:**

- (1) the provision of safe and convenient vehicular access and parking which does not have an unacceptable adverse impact on the amenities of neighbouring properties in terms of noise, light or other disturbance;**
- (2) the mass and scale of development will not have an overbearing impact on, or result in the loss of privacy to, existing homes and gardens;**
- (3) the development does not cause the loss of trees, shrubs or other landscape features which make an important contribution to the character and appearance of the locality or its biodiversity.**

## **Advertisements**

4.105. Well-designed and located advertisements can contribute to the vibrancy and vitality of the street scene and benefit the local economy. However, poorly designed or inappropriately located advertising can create visual discord and clutter, or cause obstruction to pedestrians and other people who may be visually or mobility impaired. Policy DM31 aims to provide a framework that will be used in the determination of planning, advertisement and listed building consent in relation to advertisements, including signage and illumination. Free standing 'A' boards require permission and will only be permitted where they do not impinge upon pedestrian movement or safety. Redundant signs should be removed and opportunities to reduce signage sought where new signage is proposed.

## **Policy DM31: Advertisements**

**Advertisements and signs will be permitted where they are sympathetic to the character and appearance of the location and/or the host building, having regard to size, design, colour, materials, construction, siting, level of illumination, and cumulative impact with other advertisements in the vicinity. Advertisements and signs will not be permitted where they would be detrimental to public safety or to the amenities of the area.**

## **Telecommunications Infrastructure**

- 4.106. Modern telecommunications have grown rapidly in recent years with mobile phones now forming an essential part of everyday life. Improvements to telecommunications networks can help to promote sustainable communities and lead to economic benefits. However, the siting and design of telecommunications infrastructure is often a concern for local communities and can cause harm to the character and appearance of Conservation Areas or other heritage assets and to the special qualities of the South Downs National Park. The Council therefore seeks to facilitate the growth and improvement of the telecommunications network whilst keeping the environmental impact to a minimum.
- 4.107. Applications will be determined solely on planning grounds. The Council will not seek to prevent competition between different operators, question the need for the telecommunications system, or determine health safeguards if the proposal meets International Commission guidelines for public exposure. However, the use of planning conditions or legal agreements may be considered as appropriate to ensure that any mast, equipment or other apparatus is removed by the operator if they become redundant in the future.

### **Policy DM32: Telecommunications Infrastructure**

**The erection of telecommunications apparatus will be permitted where the following criteria are satisfied:**

- (1) the apparatus uses an existing mast, building or other structure where practicable, without causing unacceptable harm to the appearance of any building or structure utilised;**
- (2) where an existing mast, building or other structure is not available, the apparatus would be screened as far as practicable by the existing landform and trees, or by landscaping incorporated within the proposal;**
- (3) the apparatus would not have an adverse impact on a designated heritage asset or its setting;**
- (4) the proposal incorporates appropriate materials or treatments for any associated buildings or supporting structures;**
- (5) the potential for physical interference has been minimised in the siting and design of the apparatus.**

**All proposals should include a landscape and visual assessment which will,**

**where appropriate, show the impact of the proposal in the landscape and townscape or upon the setting of heritage assets, either in isolation or cumulatively with other nearby telecommunications related development.**

## **Historic Environment**

- 4.108. The NPPF defines heritage asset as ‘A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).’
- 4.109. The District’s heritage assets are well documented and will continue to be conserved or enhanced in accordance with Core Policy 11 (*Built & Historic Environment and High Quality Design*) of the Local Plan Part 1. Sensitive management of the historic environment is a key component in the delivery of sustainable development and adds value to regeneration, business and the growing tourism sector. Great weight will be given to conserving the significance of designated and non-designated heritage assets and their setting.
- 4.110. The need for locally specific planning policies is very limited, given the wealth of national guidance on heritage assets contained within the NPPF and Planning Practice Guidance, together with the relevant legislation applying to individual heritage designations. However, in order to sympathetically manage heritage assets as part of the development process, there must be a clear understanding of the significance of the asset and the contribution of its setting.
- 4.111. It is the applicant’s responsibility to provide sufficient information and assessment of the impacts of their proposal on heritage assets and/ or their settings, and the wider historic environment. Applications affecting the significance of a heritage asset are therefore required to provide sufficient information to demonstrate the impact of the proposed development upon the asset. Early pre-application work by the developer is encouraged to avoid abortive and costly work at a later stage. Relevant advice is also available from Historic England.
- 4.112. There are 15 Conservation Areas within the Plan area, representing a valuable part of the district’s built and cultural heritage. The special character and appearance of these areas can be derived from many different features including the scale, style and materials of the buildings, the historic street pattern, street frontages and building lines, boundary structures, street furniture, trees and open spaces. These features and other significant

characteristics are identified in individual Conservation Area Appraisals which should be used, where appropriate, to inform development proposals.

### **Policy DM33: Heritage Assets**

**Development affecting a heritage asset will only be permitted where the proposal would make a positive contribution to conserving or enhancing the significance of the heritage asset, taking account of its character, appearance and setting.**

**All development proposals that affect a heritage asset or its setting will be required to submit supporting information proportionate to the significance of the asset, including:**

- (a) an assessment of the archaeological, architectural, historic or other significance of the affected asset, including any contribution made by its setting;**
- (b) an assessment of the impact of the proposed development on the significance of the asset or its setting;**
- (c) a statement of justification for the proposed development, together with details of any measures proposed to avoid, minimise or mitigate any harm to the significance of the asset.**

**Where the loss of the whole or part of a heritage asset can be justified, the Council will seek, by a legal agreement and/or condition, to ensure that the new development will proceed within a reasonable timescale after the loss has occurred.**

### **Areas of Established Character**

4.113. The district includes a number of well-established residential areas that make a valuable contribution to the distinctive character of the towns or villages in which they are located. These areas do not possess the necessary architectural or historic interest to merit designation as Conservation Areas. However, it is considered that all have a special character and quality that is worthy of retention and therefore warrant particular consideration when planning applications are being determined. These areas are defined on the Policies Map at:

- Cooksbridge
- 38-86 Fort Road, Newhaven
- Cricketfield, Newick
- Harmers Hill, Newick
- High Hurst Close and Allington Road, Newick
- Land between Western Road and West Point, Newick
- North of Village Hall, Newick

- South of Western Road, Newick
- Gote Lane, Ringmer
- Lewes Road, Ringmer
- Firlle Road, Seaford
- St Peters Road, Seaford
- Glebe Drive, Seaford
- Belgrave Road, Westdown Road and Beacon Road, Seaford
- Blatchingdon Road/Richmond Terrace, Seaford
- Chyngton Road and Cuckmere Road, Seaford
- Chyngton Way, Seaford
- Corsica Hall, Seaford
- Sutton Park Road, Seaford
- North of North Common Road, Wivelsfield Green
- South of Wivelsfield Green Road, Wivelsfield Green

### **Policy DM34: Areas of Established Character**

**Development within Areas of Established Character, as defined on the Policies Map, will be permitted where it reflects the existing character of the area in terms of the gaps between buildings, building height, building size, site coverage, set-back from the street, boundary treatments, mature trees, hedges and grass verges.**

## **SUSTAINABLE TRAVEL**

4.114. The need to encourage people to move around the district in a sustainable manner and to ensure maximum accessibility to new development by walking, cycling and public transport are two of the key issues that the Local Plan seeks to address. The policies in this section supplement Core Policy 13 (*Sustainable Transport*) of the Local Plan Part 1 by seeking to achieve an increase in sustainable travel modes, thereby reducing air pollution and traffic congestion.

### **Footpath, Cycle and Bridleway Network**

4.115. Walking and cycling are the ideal forms of travel for many shorter journeys and provide the most environmentally beneficial and healthiest modes of transport. Both offer significant potential to replace short car trips, particularly daily travel to school or work within the towns and villages. The footpath, cycle and bridleway network also contributes towards the creation of healthy communities by providing safe, attractive and convenient access from towns and villages into the surrounding countryside. The plan area includes a number of long distance paths, e.g. Vanguard Way.

4.116. The Council supports the development of a network of high quality walking and cycling routes throughout the district and all proposals for new development are required to make proper provision for pedestrian and cycle access, as set out in Core Policy 13 of the Local Plan Part 1. However, in order to maintain and further encourage walking and cycling as a means of both transport and recreation, it is important to ensure that the existing, footpath, cycle and bridleway network is adequately protected or enhanced to ensure its convenience, safety and attractiveness for users.

### **Policy DM35: Footpath, Cycle and Bridleway Network**

**Development that would have a harmful impact on the convenience, safety or amenity value of the existing or proposed footpath, cycle or bridleway network will only be permitted where this impact can be satisfactorily mitigated or an alternative facility of equivalent or improved quality would be delivered as part of the development.**

### **Station Parking**

4.117. Rail travel has an important role in travel demand management by helping to reduce the need for longer distance car journeys. The availability of car parking at railway stations is important to encourage people to travel by train and to reduce the demand for on-street parking in residential streets close to stations. The Council will therefore resist the loss of public car parking spaces to alternative uses and will encourage the provision of increased parking where there is a demonstrable shortage.

### **Policy DM36: Station Parking**

**Development that would result in the permanent loss of public car parking spaces on sites adjacent to railway stations will not be permitted.**

### **Former Lewes to Uckfield railway line**

4.118. The route of the former Lewes to Uckfield railway line has the potential to provide an additional rail link between Brighton and London. The London and South Coast Rail Corridor Study, published by the Department for Transport in 2017, concluded that a transport case could be made for such a

scheme subject to additional economic growth. East Sussex County Council and Lewes District Council support the reinstatement of the line in order to provide additional rail capacity in the county, in line with the objectives of the Local Transport Plan 2011-2026 and the East Sussex Rail Strategy.

**Policy DM37: Former Lewes to Uckfield railway line**

**Development that would significantly prejudice the reinstatement of the former Lewes to Uckfield railway line, as shown on the Policies Map, will not be permitted.**

# APPENDICES



## **APPENDIX 1: GLOSSARY**

This glossary is neither a statement of law nor an interpretation of the law and its status; it is only an introductory guide to planning policy terminology and should not be used as a source for statutory definitions. Reference should also be made to the Glossary within the NPPF.

### **Advertisement**

Any word, letter, model, sign, placard, board, notice, awning, blind, device or representation, whether illuminated or not, in the nature of, and employed wholly or partly for the purposes of, advertisement, announcement or direction.

### **Affordable housing**

Housing provided by a council or housing association which is available below the market cost level. This can include homes rented at rent levels at approximately 50% of the local market level (social rented), homes rented at affordable rent levels at approximately 80% of the market rent (affordable rent), homes that are sold as a part buy/ part rent (shared ownership) or homes that are sold as a part equity purchase (shared equity). See also, **Intermediate housing** below.

### **Agricultural Land Classification (ACL)**

Method of assessing the quality of farmland to enable informed decisions to be made about its future use within the planning system. Defra guidelines on the classification are as follows:

- Grade 1 - Excellent
- Grade 2 - Very Good
- Grade 3a - Good
- Grade 3b - Moderate
- Grade 4 - Poor
- Grade 5 - Very Poor

### **Ambient Noise**

Totally encompassing sound in a given situation at a given time composed of sound from all sources near and far.

### **Amenities**

Those qualities of life enjoyed by people that can be influenced by the surrounding environment in which they live or work.

### **Appropriate Assessment**

An assessment that is required to be undertaken under a European Directive in order to assess the impact of a plan, project or proposal on sites designated to

protect flora, fauna and habitats of European-wide interest, such as Special Protection Areas (SPAs), Special Areas of Conservation (SACs) and Ramsar Sites.

### **Archaeological Notification Area (ANA)**

An area that indicates the existence, or probable existence, of archaeological heritage assets. The purpose of an ANA is to identify where there is a likelihood of archaeological works being necessary when development of any kind is planned.

### **Ashdown Forest**

The Ashdown Forest is located within Wealden District and forms part of a complex of heathlands that support breeding bird species of European importance, particularly the nightjar and Dartford warbler. It is a designated Special Protection Area, Special Area of Conservation, and Site of Special Scientific Interest.

### **Authority Monitoring Report (AMR)**

Report prepared by a local authority, which assesses the impact of policies and whether targets for these policies are being met. Each Authority Monitoring Report is published at the end of the calendar year and it applies to the previous financial year.

### **Backland Development**

Land located behind a street frontage which is not directly visible from the street and is surrounded by other development, including rear gardens and private yards, as well as larger undeveloped sites.

### **Biodiversity**

The variety of plant and animal species in an environment.

### **Brownfield Sites/ Previously Developed Land**

Land which is or was occupied by a permanent structure. This excludes:

- land that is or has been occupied by agricultural or forestry buildings (including nurseries)
- land that has been developed for minerals extraction or waste disposal by landfill purposes where provision for restoration has been made through development control procedures
- land in built-up areas such as private residential gardens, parks, recreation grounds and allotments
- land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time.

### **Change of use**

Change in the use of a building or other land for another purpose. In considering a change of use it is normally necessary to establish whether the change is “material”

and whether by virtue of the provisions of the Town and Country Planning (Use Classes) Order 1987 (as amended), development requiring planning permission is involved.

### **Community Facilities**

Facilities or services which meet the needs of communities, including open space, sport and recreational facilities, community halls, doctor's surgeries, libraries, public houses, places of worship, local shops and post offices, and cultural buildings.

### **Community Infrastructure Levy (CIL)**

A levy that local planning authorities can choose to charge on new developments in their area, in order that the burden of new infrastructure costs is shared by all development in a proportionate manner. Lewes District Council has implemented a CIL charging schedule with a list (known as the 123 List) of infrastructure projects on which the funds can be spent.

### **Conservation Area**

Area designated under the Town and Country Planning (Listed Building and Conservation Areas) Act 1990 on account of its special architectural or historic interest, the character and appearance of which it is desirable to preserve and enhance.

### **Designated Children's Play Space**

Designated areas for children and young people containing a range of facilities and an environment that has been designed to provide focused opportunities for outdoor play.

### **Development**

The carrying out of building, engineering, mining or other operations in, on, over and under land, or the making of a material change of use of any building or land.

### **Developer Contributions**

Contributions made by a developer to mitigate the impact of development, either by paying money for the works to be carried out or by directly providing facilities or works either on or off-site

### **Development Plan Document (DPD)**

Spatial planning documents that comprise the development plan for Lewes District. They are subject to independent examination and are geographically presented on the Policies Map.

### **Environment Agency**

Government body responsible for wide-ranging matters, including the management of water resources, surface water drainage, flooding and water quality.

**Environmental Assessment**

A written evaluation of the effect on the environment of a proposed development (also known as an Environmental Impact Statement).

**Evidence Base**

The information and data gathered by local authorities to justify the "soundness" of the policy approach set out in the Local Plan, including physical, economic, and social characteristics of an area.

**Geodiversity**

The variety of different types of geology, landforms, soils and physical processes in a particular region.

**Greenfield Site**

Land that has not been previously built on.

**Gypsies and Travellers**

"Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such." as defined with Annex 1 of Government's Planning policy for traveller sites (August 2015).

**Habitats of Principal Importance**

Habitats identified as requiring action in the UK Biodiversity Action Plan and listed under Section 41 of the Natural Environment & Rural Communities Act 2006.

**Heritage Assets**

Designated heritage assets are:

- Scheduled Monuments
- Listed Buildings
- Parks & gardens included on the 'Register of Historic Parks and Gardens of special historic interest in England' (Historic England)
- Conservation Areas designated under the relevant legislation
- Registered Battlefields
- Protected Wrecks

Non-designated heritage assets include, but are not limited to, Archaeological Notification Areas and heritage assets identified on the Historic Environment Record (ESCC) and locally listed heritage assets.

### **Historic England**

Government advisory body responsible for all aspects of protecting and promoting the historic environment

### **Housing Density**

Number of dwellings per hectare.

### **Housing Stock**

Total residential accommodation in the district comprising all housing types and tenure.

### **Housing tenure**

The condition that land or buildings are held or occupied under; predominate tenures include owner-occupied (i.e. freehold, leasehold), privately-rented, socially-rented and shared ownership (part-owned and part-rented).

### **Infill Development**

The development of a vacant site in a substantially developed frontage or area.

### **Intermediate Housing**

Homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition in the National Planning Policy Framework. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Reference is often made to 'low cost housing' when the term affordable housing is used. It is important to note that such housing does not usually involve any form of public subsidy (unlike the products highlighted in the previous paragraph) and is often housing such as small starter units and homes with low cost specifications. Such housing would not be classed as affordable housing when implementing the policies of this plan. See also, **Affordable housing** above.

### **Irreplaceable Habitats**

Habitats which would be technically very difficult (or take a very significant time) to restore, recreate or replace once destroyed, taking into account their age, uniqueness, species diversity or rarity. They include ancient woodland, ancient and veteran trees, blanket bog, limestone pavement, sand dunes, salt marsh and lowland fen.

### **Listed Building**

Building considered worthy of special protection which are included and described in the statutory List of Buildings of Special Architectural and Historic Interest published

by the Department of Culture, Media and Sport. The alteration, demolition or extension of a listed building requires special consent.

### **Local Development Scheme (LDS)**

Document which sets out the programme for the preparation of the Local Development Documents.

### **Local Plan**

Portfolio of documents which plans for the future development of an area. The main purposes are to:

- develop policies and general proposals and relate them to precise areas of land;
- provide a detailed basis for development control;
- provide a detailed basis for co-ordinating the development and other use of land;
- bring local and detailed planning issues before the public.

### **Local Wildlife Site**

Non-statutory area designated at county or regional level.

### **Material Planning Consideration**

Factor to be taken into account when deciding the outcome of a planning application.

### **National Planning Policy Framework (NPPF)**

The Government's national planning policy document which was first published in March 2012 and sets out the key principles for sustainable development.

### **Natural England**

Government body responsible for ensuring that England's natural environment, including its land, flora and fauna, freshwater and marine environments, geology and soils are protected and improved.

### **Neighbourhood Plan**

Plan prepared by a Parish Council, Neighbourhood Forum, or other locally constituted community group, for a particular neighbourhood. A neighbourhood plan comes into force as part of the statutory development plan once it has been approved at a referendum.

### **Permanent Gypsy and Traveller Pitch**

Where caravans can be located all year round, as opposed to transit sites where caravans can be stationed on pitches for up to 3 months, or other specified length of time. Pitches can be provided, and managed, by local authorities or privately owned.

**Permitted Development**

Certain categories of development, as specified in the General Permitted Development Order, which can be carried out without having to obtain specific planning permission.

**Planning Practice Guidance**

Web- based resource of national planning guidance covering a range of topics and linked to the National Planning Policy Framework.

**Pollution**

Anything that affects the quality of land, air, water or soils, which might lead to an adverse impact on human health, the natural environment or general amenity.

Pollution can arise from a range of emissions, including smoke, fumes, gases, dust, steam, odour, noise, vibration and light.

**Policies Map**

Statutory part of the Local Plan showing, in map form, where the policies of the Plan apply.

**Registered Social Landlords (RSL)**

Independent housing organisations registered with the Housing Corporation under the Housing Act 1996. Most are housing associations, but there are also trusts, co-operatives and companies.

**Residential Institutions**

Uses falling within Class C2 of the Town & Country Planning (Use Classes) Order 1987 (as amended) i.e. residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

**Rural Exception Sites**

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

**Shared Housing**

Housing in multiple occupation (HMOs), bedsits, hostels, and specialist student accommodation.

**Site of Special Scientific Interest (SSSI)**

Area designated by Natural England under the Wildlife and Countryside Act 1981.

**Special Area of Conservation (SAC)**

Special Areas of Conservation are defined in the Habitats Directive (92/43/EEC), also known as the Directive on the Conservation of Natural Habitats and Wild Fauna and Flora. They are defined to protect the 220 habitats and approximately 1,000 species listed in Annex I and II of the Directive.

**Special Protection Area (SPA)**

Special Protection Areas are strictly protected in accordance with Article 4 of the EC Birds Directive. They are classified for rare and vulnerable birds (listed in Appendix I of the Directive) and for regularly occurring migratory species.

**Statement of Community Involvement (SCI)**

Document setting the ways in which the Local Planning Authority will involve the community in the planning system. This includes consultation on the preparation of plans and the determination of planning applications.

**Strategic Environmental Assessment (SEA)**

A procedure (set out in the Environmental Assessment of Plans and Programmes Regulations 2004) which requires the formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment.

**Strategic Housing and Economic Land Availability Assessment (SHELAA)**

The purpose of a SHELAA is to identify new housing sites that have a good chance of development. It will include those sites that already have planning permission or are allocated for housing in the Local Plan. In addition, landowners, agents and housebuilders, public and private bodies and members of the public may suggest other sites. Only land in the more sustainable locations will be included in the plan.

**Strategic Housing Market Assessment (SHMA)**

A study of the way the housing market works in any particular area. It looks into the type of households living in the area, where they work and what sort of housing they live in. It attempts to estimate future housing needs across the area, broken down by tenure and size of housing.

**Suburbanise**

Suburbanisation occurs when certain elements of property design or ornamentation, which are particularly identified with towns and the urban environment, are imported into the countryside. These imports have little regard for local character and can have a visually harmful effect on the intrinsic quality and local distinctiveness of the surrounding rural landscape.



**Supplementary Planning Document (SPD)**

Supplementary material which sets out planning requirements or advice at a greater level of detail than the Local Plan, but which does not set out new policy.

**Sustainability Appraisal (SA)**

The consideration of policies and proposals to assess their impact on economic, social and environmental sustainable development objectives.

**Sustainable Development**

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

**Travelling Showpeople**

Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family's or dependants' more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily, but excludes Gypsies and Travellers as defined above.

**Water Framework Directive**

An EU Directive which requires member states to meet certain objectives including the protection and improvement of the water environment.

## APPENDIX 2: SUPERSEDED 2003 LOCAL PLAN POLICIES

The following policies in the Lewes District Local Plan 2003 are superseded by the policies in the Local Plan Part 2: Site Allocations and Development Management Policies DPD or 'made' Neighbourhood Plans.

| <b>Policy Ref.</b> | <b>Policy Subject</b>                                       |
|--------------------|---|
| ST3                | Design, Form and Setting of Development                     |
| ST4                | Backland and Tandem Development                             |
| ST5                | Access for People with Limited Mobility                     |
| ST6                | Access for People with Limited Mobility                     |
| ST11               | Landscaping of Development                                  |
| ST14               | Water Supply  |
| ST20               | Recycling and Re-use of Materials                           |
| ST21               | Recycling and Re-use of Materials                           |
| ST25               | Pylons and Overhead Lines                                   |
| ST29               | Advertisements  |
| ST30               | Protection of Air and Land Quality                          |
| RES6               | Residential Development in the Countryside                  |
| RES7               | Residential Conversions in the Countryside                  |
| RES8               | Replacement Dwellings in the Countryside                    |
| RES10              | Affordable Homes Exception Sites                            |
| RES13              | Extensions  |
| RES14              | Extensions in the Countryside                               |
| RES18              | Garages and other Buildings Ancillary to Existing Dwellings |
| RES19              | Provision of Outdoor Playing Space                          |
| E14                | Bunk House Accommodation                                    |
| E15                | Existing Camping/Touring Caravan Sites                      |
| E17                | New Camping/Touring Caravan Sites                           |
| E19                | Static Holiday Caravan Sites                                |
| CT1                | Planning Boundary and Key Countryside Policy                |
| CT5                | Institutional Sites   |
| H2                 | Listed Buildings  |
| H3                 | Buildings of Local, Visual or Historic Interest             |
| H4                 | Conservation Areas  |
| H5                 | Development within or affecting Conservation Areas          |
| H7                 | Traffic in Conservation Areas                               |
| H12                | Areas of Established Character                              |
| H13                | Parks and Gardens of Special Historic Interest              |
| H14                | Parks and Gardens of Local Historic Interest                |
| RE1                | Provision of Sport, Recreation and Play                     |
| RE6                | Lewes/Sheffield Park Railway Line                           |

|      |  |
|------|--|
| RE7  | Recreation and the Rivers                  |
| RE8  | Equestrian and Related Activities          |
| T3   | Station Parking                            |
| T4   | The Lewes/Uckfield Railway                 |
| T16  | Telecommunications                         |
| NH2  | Downland Park                              |
| NH7  | Land north east of Kings Avenue            |
| NH10 | Eastside Business Area                     |
| NH12 | Lorry Facilities/Park                      |
| NH13 | Pedestrian Precinct                        |
| NH14 | Castle Hill, The Promenade, West Beach     |
| NH15 | Castle Hill                                |
| NH16 | The Fort                                   |
| NH17 | Avis Road Outdoor Sports Facilities        |
| NH18 | Lewes Road Recreation and Camping Area     |
| NH19 | Primary School Site                        |
| NH20 | Upgrading and expansion of the Port        |
| NH21 | Railway Quay                               |
| NH22 | Rail Transport Links to the Port           |
| NH23 | East Quay                                  |
| NH24 | North Quay                                 |
| PT5  | Business Development                       |
| BA1  | Recreational Facilities                    |
| BG1  | Balcombe Pit                               |
| CH1  | Chailey Brickworks                         |
| FL1  | University of Sussex                       |
| HY1  | Hamsey Brickworks                          |
| NW1  | Extension to the Playing Field             |
| NW2  | Woodgate Dairy                             |
| RG1  | Caburn Field                               |
| RG3  | Land adjacent to Ringmer Community College |
| RG4  | Community/Recreation Area, The Broyle      |

## APPENDIX 3: SAVED 2003 LOCAL PLAN POLICIES

The following policies in the Lewes District Local Plan 2003 will continue to be 'saved' until the Neighbourhood Plans for Peacehaven, Telscombe, and Seaford are approved.

| <b>Policy Ref.</b> | <b>Policy Subject</b>                              |
|--------------------|--|
| PT6                | Meridian and Bolney Avenue Industrial Estates Link |
| PT9                | Meridian Centre                                    |
| PT10               | Access and Permeability at the Meridian Centre     |
| PT11               | Joff Youth Club                                    |
| PT12               | Cliff Top and Foreshore                            |
| PT13               | Cliff Top  |
| PT18               | Allotments   |
| PT19               | Valley Road  |
| PT20               | Valley Road  |
| SF5                | Land at Blatchington Road                          |
| SF8                | Cradle Hill Industrial Estate                      |
| SF9                | Footpath to Church Lane                            |
| SF14               | The Seafront                                       |
| SF15               | The Seafront                                       |
| SF16               | The Seafront                                       |

## APPENDIX 4: MONITORING FRAMEWORK

The targets and indicators identified below supplement the Monitoring Framework set out in Local Plan Part 1. Together these will be used to assess the impact and delivery of the policies. Progress against the below indicators will be reported within the Council's Authority Monitoring Report (AMR) which is updated and published on an annual basis.

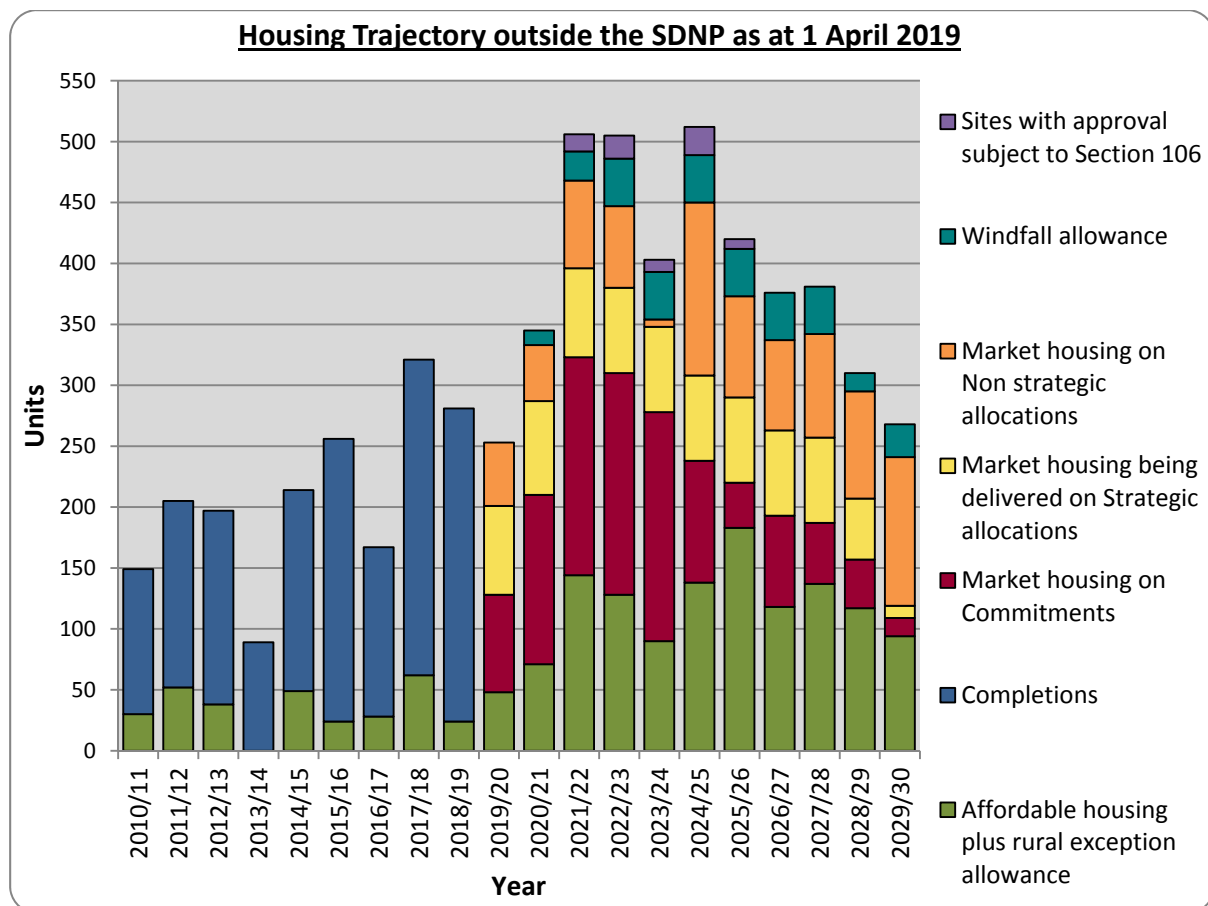
| <b>Housing growth through emerging Neighbourhood Plans</b>  |  |   |
|---|--|---|
| <b>Target</b>   | <b>Indicators</b>  | <b>Current Position</b>   |
| To ensure that sufficient progress is being made on the emerging neighbourhood plans which identify housing growth to meet the requirements of Spatial Policy 2 of Local Plan Part 1. | Progress against timetable of key milestones of neighbourhood plan preparation.                | <b>2017:</b> See below timetables indicating what stage has been reached. |
| <b><i>Peacehaven and Telscombe Neighbourhood Development Plan Timescale</i></b>   |  |   |
| <b>STAGE</b>  |  | <b>PROGRESSION – DATE ACHIEVED</b>  |
| Designation of Neighbourhood Area   |  | ✓ 17 June 2013  |
| Pre-Submission Consultation (Regulation 14)   |  | September 2019  |
| Submission to LDC (Regulation 15)   |  | January 2020  |
| Submission to Independent Examination (Regulation 17)   |  | March 2020  |
| Referendum  |  | June 2020   |
| Formal Adoption   |  | July 2020   |
| <b><i>Seaford Neighbourhood Development Plan Timescale</i></b>  |  |   |
| <b>STAGE</b>  |  | <b>PROGRESSION – DATE ACHIEVED</b>  |
| Designation of Neighbourhood Area   |  | ✓ 13 January 2016   |
| Pre-Submission Consultation (Regulation 14)   |  | ✓ 7 November 2017   |
| Submission to LDC (Regulation 15)   |  | ✓ May 2019  |
| Submission to Independent Examination (Regulation 17)   |  | ✓ August 2019   |
| Referendum  |  | February 2020   |
| Formal Adoption   |  | February 2020   |
| <b>Suitable Alternative Natural Greenspace (SANG)</b>   |  |   |
| <ul style="list-style-type: none"> <li><b>DM24: Protection of biodiversity and geodiversity</b></li> </ul>  |  |   |
| <b>Target</b>   | <b>Indicators</b>  | <b>Current Position</b>   |
| To manage and monitor the Reedens Meadow SANG at Newick.  | Net number of dwellings mitigated.<br><br>Cumulative monies collected from new development via | <b>2018:</b> Reedens Meadow SANG is implemented and                       |

|  |   |                            |
|--|---|----------------------------|
|  | <p>section 106 contributing towards the maintenance of Reedens Meadow SANG.</p> <p>Use of the SANG through visitor survey and local monitoring reports.</p> | <p>open to the public.</p> |
|--|---|----------------------------|

## APPENDIX 5: HOUSING TRAJECTORY

The Housing Trajectory indicates the anticipated delivery of market and affordable housing for the area of the district outside of 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.

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.



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|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>Housing Revenue Account (HRA) 30-Year Business Plan Update</b>   |
| <b>Report of:</b>                   | <b>Chief Finance Officer and Director of Regeneration and Planning</b>  |
| <b>Cabinet Members:</b>             | <b>Councillor Zoe Nicholson, Leader<br/>Councillor William Meyer, Cabinet Member for Housing</b>  |
| <b>Ward(s):</b>                     | <b>All</b>  |
| <b>Purpose of Report:</b>           | <b>To present a new HRA 30-Year Business Plan covering the years from 2019/20 to 2048/49, describing the assumptions that underpin it and highlighting the changes in approach, policy and aspirations when compared to previous plans.</b>   |
| <b>Decision Type:</b>               | <b>Budget and Policy Framework</b>  |
| <b>Officer recommendation(s):</b>   | <b>(1) That Cabinet adopts Lewes' HRA 30-Year Business Plan as a basis for operating the future HRA business<br/><br/>(2) That Cabinet agrees the assumptions underpinning it<br/><br/>(3) That Cabinet notes that the plan has been used as the starting point for setting the 2020/21 HRA Revenue Budget and Rents and the HRA Capital Programme 2019-23, which is the next report on this agenda</b> |
| <b>Reasons for recommendations:</b> | <b>The Council now has an opportunity to increase its HRA stock holding and improve its offer to tenants and leaseholders (both current and future) as a result of the HRA debt cap being lifted and HRA rents increasing each year (with effect from 1<sup>st</sup> April 2020)</b>  |
| <b>Contact Officer(s):</b>          | <b>Name: Gary Hall<br/>Post title: Head of Homes First<br/>E-mail: Gary.hall@lewes-eastbourne.gov.uk<br/>Telephone number: 01323 436401</b>   |

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# 1 Introduction

- 1.1 This report proposes a new 30-Year HRA Business Plan for Lewes and describes where it differs from the Council's previous Business Plan. The plan will look to address huge challenges faced by the Housing sector, many of which are locally very acute. Lack of Housing Options for applicants on the housing register and the loss of homes mean that often individuals and families are left in sometimes unsuitable and unaffordable housing for lengthy periods, which Council officers struggle to alleviate. The increase in the numbers of homeless presentations to the authority, particularly since the introduction of the new duties of the Homeless Reduction Act (which came into effect in April 2018) has meant significant costs to the authority and more critically a lack of opportunities to meet this increased demand. It is also long held that physical health and mental well-being are inextricably linked to the quality of housing and wider 'place', so the further opportunity to retrofit our homes to provide that improved healthier offer, along with reducing our carbon foot-print and having the flexibility to positively affect the lives of our tenants, in a wider sense, through social inclusion initiatives, gives this plan an even greater emphasis and an exciting opportunity to address.
- 1.2 The report explains the rationale for the changes that are proposed and how they fit with the Council's direction and priorities. In this report, the Cabinet is asked to adopt the new principles included in the plan and note the assumptions underpinning it. A detailed 2020/21 HRA budget and rent-setting report will follow next on this agenda, and any future significant decisions to be taken (for example, the details of new build projects when they are fully prepared) will be brought back for discussion and decision at the appropriate time.
- 1.3 The most notable policy changes creating a difference between this Business Plan and those presented to Cabinet previously are:
- a) In October 2018, the government lifted the HRA debt cap for all stock-holding authorities – this means that there is now more flexibility within the HRA Business Plan to increase stock numbers
  - b) Rents will increase from April 2020 (after decreasing for the last four years), meaning that the HRA will receive extra income from tenants to invest in HRA services. The total gross rental income will increase by £410k in 2020/21, equating to an average £2.36 per week per tenancy.
- 1.4 It should be noted that this does not mean that the HRA is without constraint – Lewes can only borrow as much as it can afford to borrow to increase its Capital Programme and service offer – there are still choices to be made.

1.5 The assumptions underpinning the Business Plan are set out in detail in Appendix 1. However, the headlines are:

- a) That, in future, stock numbers will increase rather than decrease
- b) More resources to be made available to improve services to tenants and leaseholders
- c) That the Council will invest in the supply of more affordable housing to meet the current and future need
- d) That a one-off sum of £500k will be made available in 2020/21 to allow for sustainability improvements and work to decarbonise the housing stock
- e) That a 100% stock survey will be undertaken in early 2020/21 to confirm the current stock condition and future investment requirements
- f) The Council will develop and incorporate Community Wealth principles in delivering the programme

## **2 Proposal**

### **2.1 Improvements to Day to Day Management and Maintenance**

2.1.1 The new Business Plan includes an uplift of £500k in Management and Maintenance costs with effect from 1<sup>st</sup> April 2020. This will be used to enhance services to HRA tenants and residents. It should be noted that this is in addition to the one-off £500k monies available for sustainability in 2020/21. Enhancements will be focused on areas highlighted by residents during service reviews and general feedback. Some of the areas that could be targeted are anti-social behaviour, multiple complex needs, social inclusion, sheltered housing, customer engagement, fuel poverty and neighbourhood area improvement. It is also likely that we will seek to provide further support to those most affected by Universal Credit or suffering from reduced incomes. Staff and tenants are being further consulted and we will seek to build our customer information to ensure that we can make the maximum difference out of this opportunity. We will, of course, also involve local members in those conversations. It is clear though, that this (working with all local partners and agencies) is a platform to provide a real boost to our communities.

These activities will also be in line with new standards likely to be introduced in the future Housing White Paper.

### **2.2 Increased Investment in the Current Stock**

2.2.1 In 2019/20, the budget for Major Works is £4.822m plus £140k added for Estate Improvements. From 2020/21, it is £4.863m plus £50k per annum added for Estate Improvements. The Business Plan assumes that stock investment will continue at this level. However, a Stock Condition Survey is due to be carried out this year to ensure that the data is comprehensive and current. The consultancy has been procured and the surveys, covering both Lewes and Eastbourne, will take place between January and September 2020.

Meanwhile there are investment works needed during 2020/21:

Lewes: Capital Investment & Planned Works 2020/21

### Planned Cyclical Maintenance:

As part of the capital investment and planned works for 2020/21 we have pre-inspected those properties identified for works based on the level of data currently held.

The properties identified consist of blocks and maisonettes as well general needs residential properties. This is made up of total of 72 blocks / maisonettes and 513 residential properties. The depth and scope of works for each property varies as we continue to honour the 7 year cyclical maintenance plan.

The estimated spend on the Lewes stock equates to:

Block & Maisonettes: £1,440,000  
Residential Properties: £ 1,026,000

**Estimated Total: £2,466,000**

### Roofing Replacement Programme & Associated Works:

A total number of 58 properties have been identified for full roof replacement with associated works consisting of fascia /soffit replacement, chimney and lead flashing repairs and insulation upgrade were required.

**The estimated planned cost at this stage is £253,800**

### Window Replacement Programme:

A total number of 80 properties have been identified for full window replacement which are predominantly residential units.

**The estimated planned programme cost is £800,000**

### Kitchen & Bathroom Planned Programme:

The planned kitchen & bathrooms based on the asset data has identified 45 kitchen replacements and 30 bathroom replacements.

Total kitchen cost: £270,000  
Total bathroom cost: £75,000

**Total planned cost £345,000**

**Total projected major planned works = £ 3,864,800**

An additional unallocated sum has been provisionally set aside for refurbishment pending more in-depth investigation/feasibility works.

The majority of contracts are being procured in-house, in partnership with the South East (Procurement) Consortium (SEC). It is also planned to manage

these contracts in-house. An Interim Asset Management Strategy is currently being drafted to enable us to direct resources most appropriately around needs of the housing stock.

2.2.2 For the first time, £500k has been allocated in 2020/21 against sustainability/decarbonisation work in line with the new corporate priorities. The exact programme will be developed in the coming months but is likely to focus on:

- Electric heating schemes
- To review the current solar and photovoltaic installations, their condition and maintenance arrangements
- To investigate opportunities for extending such opportunities and the Renewable Heat Initiatives funding available until 2021
- To work with the Asset Manager (Property Services), Sustainability Officer and other organisations to determine the capital cost of capital investment solutions in relation to the actual reduction in carbon emissions.
- To assess the impact and cost-effectiveness of insulation schemes planned during 2020/21 and project manage them on site gaining customer feedback
- To understand and re-evaluate existing partnership and funding arrangements
- To upgrade existing solar water heating systems and bring them back into use

All of this activity will be aimed at reducing costs for tenants and residents whilst making their homes warmer.

### **2.3 The Provision of Additional Affordable Homes in the HRA**

2.3.1 The Business Plan assumes that, with effect from 2020/21, 10 homes per annum will be bought to add to Lewes' HRA stock and 50 new homes will be built each year. The net effect will be an increase of 50 per year, since it is estimated that 10 properties a year will be sold to existing tenants under the Right to Buy scheme. At 1<sup>st</sup> April 2019, Lewes held 3,203 dwellings in its HRA. By March 2049, this will increase to 4,600.

2.3.2 The 10 purchases per annum have been modelled based on maximum affordable purchase prices. This means that each dwelling purchased will be subject to a check that the net rental income will cover the borrowing cost. Where this cannot be achieved, the purchase will not go ahead, unless under exceptional circumstances. This approach will ensure that each individual property will have a "positive impact" on the Business Plan and not add cost to it. It is envisaged that this activity will target the repurchase of those properties that were lost through Right to Buy, where appropriate and available.

2.3.3 It should be noted that the figures included in the plan for new build are based on averages and do not at this stage relate to any specific sites or schemes – as sites are identified and proposed new build schemes are drafted, tested for viability and fully costed, these will be brought back to Cabinet for approval.

- 2.3.4 All new additions to the plan are assumed to be let at “affordable” rent levels (Local Housing Allowance rates) – if rents are set at a lower level, the capacity for delivery is likely to be compromised.

### **3 Outcome Expected and Performance Management**

- 3.1 The expected outcomes are expressed in monetary terms within the plan itself. Other targets, such as rent collection and void turnaround performance are subject to regular monitoring through the Council’s performance framework. Tenant and Leaseholder satisfaction, particularly with new initiatives and changes to current service levels, will be monitored through the current Tenant and Leaseholder engagement framework.
- 3.2 An officer group is already in place to oversee performance against the 30-Year HRA Business Plan. This group will ensure that the Business Plan stays on track and that resources are deployed effectively to increase stock levels, improve current stock condition and improve management and maintenance services. Any significant changes to the assumptions underpinning the Business Plan will trigger a full review to assess the impact. In any event, there will be a review and update annually.

### **4 Consultation**

- 4.1 The Chair of Tenants of Lewes District (TOLD) has received a presentation showing the proposed Business Plan and is in agreement that it represents a good way forward for the Council and its tenants and residents.

### **5 Corporate Plan and Council Policies**

- 5.1 Housing & Development is one of the key themes that shaped the vision for Lewes set out in the 2016-2020 Corporate Plan. The assumptions and proposals contained within this HRA 30-Year Business Plan align with those set out in the draft 2020-2024 Corporate Plan, ‘Re-imagining Lewes District’, which is currently under development, with a focus to:-

- Provide Leadership to the district on tackling climate emergency
- Create sustainable community wealth
- Build homes that you can afford to live in

The key elements throughout the Corporate plan have provided an important reference point for this business plan:-

- ‘Your Services: getting it right first time. Delivering what matters to you.’
- ‘Sustainability and Climate change. A carbon neutral and climate-resilient Council and District by 2030.’
- ‘Building community wealth. A sustainable economy that enables a fairer place to live and work.’
- ‘Affordable Housing. Build warmer, better homes that people can afford to live in.’

*'Be open and transparent. Be an open and transparent Council that works for you.'*

- 5.2 Key (current and future) Council policies, plans and strategies will be aligned to help deliver the objectives and goals of this plan, including the Housing Strategy, Commercial Strategy, Allocations Policy, Homelessness Strategy, Local Plan, Tenancy Policy and Town Centre Strategy.

## **6 Business Case and Alternative Option(s) Considered**

- 6.1 The Business Plan is designed to make improvements to the HRA service in a balanced and considered way. It will improve day to day services, allow additional investment in the current stock and increase stock numbers. The increase in stock numbers will prevent families having to go into expensive and unsuitable temporary accommodation. This will improve life chances whilst at the same time relieving pressure on the Council's temporary accommodation budget, allowing it to divert resources into other, more appropriate, services. Clearly that further investment in housing stock, environment, place and people gives the plan that extra impetus to address inequality, social inclusion issues, health and mental well-being, with good quality healthy homes being at the heart of addressing those key determinants.
- 6.2 There are many alternative options that can be considered when setting the Business Plan. Some of these are:
- a) Repaying debt – however, this would not allow an increase in supply of much-needed, new affordable Council homes
  - b) Investing all the additional resources in the current stock – again, this would not help to tackle the Council's homelessness problem
  - c) Investing all the additional resources in new additions to the stock – this would not benefit current HRA tenants and leaseholders and would not allow the Council to look at sustainable initiatives to meet the Council's sustainability agenda
  - d) Do nothing – the balances on the HRA would gradually build up, but the opportunity to benefit from the flexibility that is now available to Lewes to do more for its highest need communities would be lost

## **7 Financial Appraisal**

- 7.1 The financial implications of adopting this plan are included in the main body of the report. In producing the plan, a comprehensive review of its key components has been carried out, with different modelling and scenarios tested in order to arrive at the current proposal.

The plan will require review and updating at least annually, but possibly more often if there are significant changes to any of the assumptions included in Appendix 1.

## **8 Legal Implications**

- 8.1 The legal implications of adopting this plan are included in the main body of the report. In particular, paragraph 1.3 advises that the lifting of the debt cap does not mean the HRA can be operated without constraint. Local authorities are able to borrow against their expected rental income, in line with the Prudential Code.

9<sup>th</sup> January 2020 Ref: 008869-LDC-MR

## **9 Risk Management Implications**

- 9.1 Since the inception of “self-financing” in April 2012, it has become clear that the biggest risks to a Council’s HRA 30-Year Business Plan arise when the Government implements a new policy that affects it. Two examples of this are:
- a) The imposed year on year reduction in HRA rents from 2016/17 for four years – this had a significant impact and challenged Councils to fundamentally review their HRAs in order to respond appropriately
  - b) The consultation on the sale of high value voids – this was never implemented, but again forced fundamental review and would have had a significant impact on most HRAs

Even though the HRA has been challenged in this manner from Government, authorities have managed to respond appropriately and review and resize their businesses accordingly.

- 9.2 Other risks and likely impacts relating to individual assumptions underpinning this proposed HRA 30-Year Business Plan are set out in Appendix 1.

## **10 Equality Analysis**

- 10.1 An Equalities and Fairness Analysis (EaFA) is not required at this stage, where the Cabinet is simply being asked to agree to a strategic direction and principles. Various EaFAs will be completed as specific projects are brought forward (for example, new build projects), rents are increased and service changes are proposed. That said, overall, whilst rents are set to increase for the first time in four years, this report recommends actions that would lead to a substantial increase in homes and services to support vulnerable households.

## **11 Sustainability Implications**

- 11.1 Setting aside £500k in 2020-21 in the HRA Business Plan will help Lewes District Council move towards meeting its target of achieving zero carbon emissions and full climate resilience by 2030. We will be looking to achieve healthy, well insulated, more affordable homes that our customers want to live and stay in. The opportunity to create homes that require lower heating costs for the tenant, fewer maintenance issues for the authority in the future and the creation of sustainable estates gives us the opportunity to make a difference to the future lives of generations of local people. This business plan will provide a ‘green platform’ and template informing the Councils management and



maintenance strategy even beyond the 30 year life-cycle and possibly beyond the needs of our stock and tenants, through testing sustainability pilots, starting in 2020/21.

## **12 Appendices**

- Appendix 1 – HRA 30-Year Business Plan 2019/20 – Assumptions

## **13 Background Papers**

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

- HRA Business Plan Model
- HRA Right to Buy Model

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**LEWES DISTRICT COUNCIL - HRA 30-YEAR BUSINESS PLAN 2019/20 - ASSUMPTIONS**

| Cost Type  | Assumption  | Rationale   | Risk  | Effect/Mitigation  | Different From 2018/19 Plan?                         |
|--|---|---|---|--|--|
| Stock Numbers and Average Rents                  | Stock numbers (starting stock 3,203) and average rents and the breakdown have been obtained from the Civica CX system | The rent system is the place where accurate records of both pieces of information would be held   | Stock numbers change due to system or increased RTB   | The risk is not great, as the numbers being used come from the system used to collect rent.  | No   |
| Rent Inflation                                   | Consumer Prices Index (CPI) +1% for Years 2-6, then CPI + 0.5% thereafter   | The Government has announced the CPI +1% policy, but, after five years, this may change   | We have already experienced changes in Government Policy that have had a huge detrimental impact on the HRA Business Plan | Any change in rent uplift policy has a significant and long- term impact on the plan, but, as it will be reviewed annually, this risk will be mitigated as necessary | No, but the years of rent decreases ended in 2019/20 |
| Management, Maintenance and Other Cost Inflation | Retail Prices Index (RPI) for Years 2-6, then RPI is set at the same level as CPI+0.5%                                | RPI is usually used for cost inflation, but measures will have to be taken to find efficiencies from Year 7 onwards if RPI outstrips CPI+0.5% | If RPI does outstrip rent increases, then services may have to be reduced/cut   | If the approach taken in the Business Plan is not sustainable, then the HRA could become unviable, but this will be reviewed as necessary                            | No   |
| Cost Type  | Assumption  | Rationale   | Risk  | Effect/Mitigation  | Different From 2018/19 Plan?                         |

|                                 |  |   |  |   |   |
|---------------------------------|--|---|--|---|---|
| Rental Income                   | Rental Income starts at £14.385m in 2019/20. Service Charge Income is £1.797m  | This figure comes from the rent system  | N/A  | N/A   | No  |
| Management Costs                | Management Costs in 2019/20 were £3.900m. These were increased in 2019/20 by a one-off £250k for restructuring costs. A further £250k has now been added to the 2019/20 budget. From 2020/21 onwards, £500k per annum has been added so that enhanced services can be provided | Now that rents will start to increase, the Council wants to improve management services for its tenants | N/A  | N/A   | Yes – the £500k per year is an addition to the plan   |
| Maintenance Costs               | Maintenance Costs are £4.439m per annum, per the current budget  | Maintenance costs are set at current expenditure levels across the 30 years                             | N/A  | N/A   | No  |
| Capital Programme – Major Works | For 2019/20 - £4.962m, then £4.815m from 2020/21 onwards (per agreed Capital Programme)  | The programme is set at current expenditure levels across the 30 years                                  | This annual allocation may prove to be inadequate to maintain the stock at the required standard (Decent Homes) when the stock survey is completed this year | The impact is currently unknown, but the plan will need to be reviewed if it is significant – otherwise stock may fall into non-decency | Yes - the previous plan appeared to contain a stock condition survey, but this is not available |
| Cost Type                       | Assumption   | Rationale   | Risk   | Effect/Mitigation   | Different From 2018/19 Plan?  |

|  |  |   |  |  |   |
|--|--|---|--|--|---|
| Capital Programme – Estate Renewal and New Build | The plan assumes new build as per the current Capital Programme in 2019/20. Saxonbury is assumed to be completed in 2019/20 and sold in 2020/21. 50 new builds per annum are assumed from 2020/21 onwards, with occupation assumed 12 months after build. Rents are assumed at LHA rates | The Council has aspirations to increase its HRA stock to address Housing Need. The lifting of the debt cap will allow it to realise its ambition  | The Business Plan target may prove to be too ambitious because of cost, staff capacity or land availability – current figures included in the Business Plan are not based on firm projects | As areas are earmarked for Estate Renewal or New Build, schemes will need to be worked up and costed and will not go ahead without Cabinet Approval. The financial assessment of each scheme will include testing its viability and modelling it into the Business Plan to understand its impact | Yes – the previous plan did not include new development on this scale               |
| Capital Programme – Acquisition                  | The plan assumes ten purchases of street properties per year, with rents assumed at LHA rates  | The Council has aspirations to increase its HRA stock to address Housing Need. The lifting of the debt cap will allow it to realise its ambition. Buying street properties allows a quick replacement of stock lost through RTB | The Business Plan target may prove to be too ambitious because of property prices, staff capacity or property availability – maximum purchase prices have been set to ensure viability     | If house prices increase significantly, then this programme will need to stop (or be confined to affordable areas) if rents do not keep pace or associated costs cannot be reduced   | Yes – the previous plan did not include purchase of street properties on this scale |
| Cost Type  | Assumption   | Rationale   | Risk   | Effect/Mitigation  | Different From 2018/19 Plan?  |

|   |   |  |  |  |   |
|---|---|--|--|--|---|
| Capital Programme – Other Capital Spend | A one-off sum of £500k has been added to the 2020/21 Capital Programme to be spent on piloting carbon neutral initiatives | The Council has an aspiration to improve its carbon footprint and this amount will provide resources for piloting various initiatives – replacement of gas boilers with heat source pumps, for example | N/A  | N/A  | Yes – this is a new addition to the plan  |
| Depreciation                            | Currently set just above annual Major Works Spending Levels   | This curtails a build-up in the Major Repairs Reserve, instead retaining funds in the Operating Account  | A robust method of calculating depreciation would need to be devised for audit purposes, and If the Stock Condition Survey shows that higher spending is required to maintain homes at decency levels, then depreciation will need to increase | The Council needs to agree a depreciation policy and follow it once the Stock Survey is completed. If Major Works investment needs to be higher, then the Business Plan will need to be reviewed | Yes - Depreciation was set higher than Major Works Spending Levels, and monies were building up in reserves |
| Right to Buy Sales                      | 10 per year   | Based on previous three years' average   | Low risk to the Business Plan unless there is a significant increase   | N/A  | Yes – the previous figure was 8 per year  |
| Cost Type                               | Assumption  | Rationale  | Risk   | Effect/Mitigation  | Different From 2018/19 Plan?  |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| Operation of the Government's Right to Buy One for One Replacement Scheme (RTB 141) | The plan assumes use of RTB 141 receipts on current schemes (other than Saxonbury), the 50 new builds per annum and the 10 acquisitions per annum. These will be used up, and no return to Government will be required. All RTB 141 receipts will be used by the HRA | Now that the Council has the resources to match fund RTB 141 receipts within its HRA, it is assumed that this is how it would prefer to use them           | No RTB 141 receipts will be available to give to Aspiration Homes or Housing Associations operating within the Borough, other than those already promises. | This new approach should ensure that they are kept and used by Lewes to provide additional affordable accommodation  | Yes – the operation of this scheme was unclear |
| Interest Rate on Borrowing  | Each loan has a fixed interest rate which is reflected in the plan. Replacement and new loans attract an interest rate of 4%   | Current loan interest rates are fixed. The 4% interest rate applied to new loans is considered reasonable considering that the current rate is around 2.7% | Interest rates may have gone up at the point when refinancing is required  | As the loan portfolio is diverse, additional interest on one loan at a time is likely to be manageable within the Business Plan (unless interest rate increases are significant) | No   |
| Interest Rate on Balances   | 0.5%   | This is the sort of rate that has been received on investments for some considerable time  | Low risk to the Business Plan  | N/A  | No   |
| Cost Type   | Assumption   | Rationale  | Risk   | Effect/Mitigation  | Different From 2018/19 Plan?                   |

|                         |   |   |   |   |  |
|-------------------------|---|---|---|---|--|
| Repayment of Debt       | Current loans are repaid when they become due, but a new loan (30-year maturity) is taken out as soon as any current loan matures (at 4% interest rate). New loans are taken out as necessary to fund new build and street property purchase programmes at a 4% interest rate. Debt starts at £56.673m, rises to £176.371m in 2040/41 then starts to reduce when repayment can be afforded. The closing position at March 2049 is £130.713m | The value of a housing portfolio should outstrip the debt outstanding and therefore there is no need to repay principal. The current debt of £56.673m equates to £17,694 per property | There is always a risk associated with not repaying principal and it would be preferable to do so. However, debt associated with property assets carries lower risk and the Council's priority is to provide additional homes | If housing values fall significantly, then there could be a problem with the loans outstanding. These currently stand at £56.673m. The HRA Stock Valuation is currently £317.900m | Yes - A loan maturing in 2042 was repaid when it became due. The debt reduced from £56.7m to £40.0m. However, an amount was set aside each year for debt repayment |
| Minimum Revenue Balance | £1.5m   | Based on £500 per dwelling for unforeseen emergencies   | Low risk to the Business Plan   | N/A   | Yes - Minimum Revenue Balance was £1.5m per year, but went up with inflation   |



# Agenda Item 14

|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Subject:</b>                     | <b>Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2020/21 and HRA Capital Programme 2019-23</b>  |
| <b>Report of:</b>                   | <b>Chief Finance Officer</b>  |
| <b>Cabinet member:</b>              | <b>Councillor Zoe Nicholson, Leader of Council, Cabinet Member for Finance</b>  |
| <b>Ward(s):</b>                     | <b>All</b>  |
| <b>Purpose of the report:</b>       | <b>To agree the detailed HRA budget proposals, rent levels, service charges for 2020/21, and the HRA Capital Programme 2019-23</b>  |
| <b>Decision type:</b>               | <b>Key Decision</b>   |
| <b>Recommendation:</b>              | <b>Members are asked to recommend the following proposals to Full Council:</b> <ul style="list-style-type: none"><li><b>i) The HRA budget for 2020/21 and revised 2019/20 budget as set out in Appendix 1</b></li><li><b>ii) That social and affordable rents (including Shared Ownership) are increased by 2.7% in line with government policy</b></li><li><b>iii) That private sector leased property rents are increased by 3.4% (RPI+1%).</b></li><li><b>iv) That the revised service charges are implemented</b></li><li><b>v) That garage rents are increased by 3.4% (RPI+1%).</b></li><li><b>vi) The HRA Capital Programme as set out in Appendix 2</b></li></ul> |
| <b>Reasons for recommendations:</b> | <b>The Cabinet has to recommend to Full Council the setting of the HRA revenue and capital budget and the level of social and affordable housing rents for the forthcoming year.</b>  |
| <b>Contact Officer(s)</b>           | <b>Name: Andrew Clarke<br/>Post Title: Deputy Chief Finance Officer<br/>E-mail: <a href="mailto:Andrew.clarke@lewes-eastbourne.gov.uk">Andrew.clarke@lewes-eastbourne.gov.uk</a><br/>Telephone Number: 01323 415691</b>   |

## **1.0 Introduction**

1.1 The HRA is a statutory ring-fenced account that represents all landlord functions. The HRA is required to be self-financing, which means that expenditure has to be entirely supported from rental and other income. The main tool for the future financial management of the HRA is the 30-Year Business Plan.

1.2 As outlined in the previous report, any significant changes to the assumptions underpinning the Business Plan will trigger a full review to assess the impact, but, in any event, there will be an annual review and update.

## **2 Proposal**

### **2.1 2020/21 HRA Revenue Budget**

2.1.1 The 2020/21 budget mirrors the HRA 30-Year Business Plan and is attached at **Appendix 1**

2.1.2 The 2020/21 budget is showing a surplus of £335k compared to a surplus of £496k in 2019/20, a decrease of £161k. Rent, Service Charges and other income increases of £181k are offset by increases in the following costs:

- Depreciation £116k
- An inflationary uplift in repairs £107k
- An inflationary uplift in management costs of £106k
- A reduction in interest receivable of £13k

The HRA 30-year plan sets out an ambitious programme of delivery. The additional resourcing requirements to support delivery of the business plan is £190k.

2.1.3 The Major Repairs Reserve is funded from cash backed depreciation of £4.546m plus inflation per year and is expected to breakeven in the short, medium and long term. Setting depreciation at this level may require review once the results of the imminent stock survey are received and the demands of the asset management plan in the longer term are better understood.

2.1.4 The HRA debt outstanding at 31.03.19 was £56.673m which was the maximum borrowing permitted under the self-financing settlement. The outstanding debt at 31.03.21 is estimated to be the same. In later years, debt levels will increase as the Authority begins to borrow more to fund property acquisitions and new build. The average debt per property is approximately £15k.

2.1.5 The Council's treasury management advisors are predicting a gradual rise in interest rates going forward into 2020/21 and the interest budget has been prepared on this basis.

- 2.1.6 The HRA outturn for 2019/20 is expected to deliver a £496k surplus, an improvement of £467k over the original budget. This is as a result of a net increase in rental income of £211k and a net reduction in operational cost depreciation costs of £324k and interest adjustments of £68k.
- 2.1.7 The HRA Business Plan is based on a policy of maintaining a minimum level of HRA balance at £1.5m. This is deemed to be a prudent level of reserve to ensure that the HRA remains sustainable in the event of any unforeseen risk arising.
- 2.1.8 The forecast balances on HRA and Reserves are as follows:

|                                  | <b>HRA Working<br/>Balance</b> | <b>Major Repairs<br/>Reserve (MRR)</b> |
|----------------------------------|--------------------------------|--|
|                                  | £'000                          | £'000                                  |
| Balance at 1.4.19                | 2,667                          | 6,909                                  |
| Surplus/(Deficit)                | 496                            |  |
| Depreciation                     |                                | 5,000                                  |
| Expenditure Financed from MRR    |                                | (4,803)                                |
| <b>Estimated Balance 31.3.20</b> | <b>3,163</b>                   | <b>7,106</b>                           |
| Surplus/(Deficit)                | 335                            |  |
| Depreciation                     |                                | 5,116                                  |
| Expenditure Financed from MRR    |                                | (11,565)                               |
| <b>Estimated Balance 31.3.21</b> | <b>3,498</b>                   | <b>657</b>                             |

## 2.2 Rent Levels for 2020/21

- 2.2.1 The Council has been following the Government's guidance for rents for social housing since December 2001. This has been subject to various legislative changes in recent years and, in 2020/21, rents can be increased by Consumer Prices Index (CPI) + 1% after four years of 1% rent reductions.
- 2.2.2 Although rents for Shared Ownership properties are excluded from Government guidance, the terms of the lease for these properties determine that we should set their rents in line with the socially rented properties. Therefore, it is recommended that rents for all Shared Ownership properties are increased by 2.7%.

## 2.3 Service Charges

- 2.3.1 For properties in shared blocks, these charges cover common services such as communal heating, lighting, equipment maintenance contracts, cleaning and grounds maintenance. In Sheltered Accommodation the charges additionally

include Scheme Managers, lift maintenance contracts, communal furniture, carpet maintenance and internal re-decorations. These costs should be charged separately from the rent in those properties to which they apply.

- 2.3.2 **The Communal Service Charge** recovers the cost of communal services provided to non-sheltered flats. The services provided include grounds maintenance, maintenance of lifts, caretaking and cleaning, door entry & alarm systems, TV aerials, laundry services and communal lighting.

The average service charge is £5.12, with the lowest at £0.68 and the highest at £17.82. The communal element of the service charge is eligible for housing benefit and Universal Credit.

- 2.3.3 **The Homeless Accommodation Service Charge:** The service charge relates to the services provided at homelessness accommodation held within the Housing Revenue Account.

The Homeless Accommodation Service Charge for 2020/21 has been reviewed, in accordance with agreed Council policy, to achieve full cost recovery. The communal element of the service charge is eligible for housing benefit and Universal Credit.

- 2.3.4 **Support Charge for Sheltered Housing:** Following the withdrawal of East Sussex County Council from the Supporting People scheme, the Council introduced, from May 2016, a redesigned Support Scheme for tenants in sheltered accommodation.

The charge for 2019/20 was £3.04 per week. The charge has now been reviewed to reflect experience of the redesigned scheme. The charge achieves full cost recovery and will increase to £3.23 per week in 2020/21.

- 2.3.5 **Sheltered Accommodation Service Charge:** The service charge has been updated to reflect the 2020/21 budget to achieve full cost recovery. The communal element of the service charge is eligible for housing benefit and Universal Credit.

- 2.3.6 All other service charges have been updated to reflect the 2020/21 budget and achieve full cost recovery. This includes charges for digital television reception, residual lifeline services and domestic cookers provided at certain properties.

## 2.7 **Garage Rents**

- 2.7.1 It is recommended that garage rents increase by September RPI +1% which amounts to 3.4% following years of no increase.

## 2.8 **Capital Programme**

- 2.8.1 The Capital Programme set out in Appendix 2 reflects the proposals contained within the HRA 30-Year Business Plan. Total budgeted expenditure for 2020/21 is £15.467m.

- 2.8.2 The major works element of the programme is in line with the budget set last year and the 30-Year HRA Business Plan model. Funding is from the Major Repairs Reserve. The Council is undertaking a comprehensive stock survey to ensure its housing stock is well maintained. The annual budget provision for major work is £4.448m. Any investment requirements varying significantly from the existing provision will be subject to further cabinet approval and a revision of the Business Plan.
- 2.8.3 Now that the HRA debt cap has been lifted, the Capital Programme includes sums for the acquisition of properties (10 per year) and new builds (50 per year). It should be noted that both are based on cost modelling and not actual acquisitions or schemes in the pipeline. In the case of acquisition, each proposed acquisition will be modelled to ensure “viability” (that the annual costs associated with the purchase and upkeep of the property will not exceed the rental income). New build schemes will need to be brought back to Cabinet for approval. The reports will include an analysis of the effects on the Business Plan.
- 2.8.4 The Council is committed to meeting its target of achieving zero carbon emission and full climate resilience by 2030. Recognising that housing is an integral part of its sustainability plans, the budget includes a provision of £500k to be invested in emerging initiatives.
- 2.8.5 The Business Plan report on this agenda which preceded this report sets out the steps to be taken to ensure that this budget is spent efficiently and effectively to achieve maximum benefit from the pilot.

### **3 Outcome Expected and Performance Management**

- 3.1 The HRA budget will be monitored regularly during 2020/21 and performance will be reported to members quarterly.
- 3.2 The Council is obliged to ensure that all tenants are given 28 days’ notice of any changes to their tenancy including changes to the rent they pay.

### **4 Consultation**

- 4.1 The rent increase reflects the requirements under The Direction on the Rent Standard 2019 together with the Rent Policy Statement for Social Housing February 2019.
- 4.2 A copy of this report will be considered by the Scrutiny Committee on 6<sup>th</sup> February 2020. Any feedback will be reported verbally.

### **5 Corporate Plan and Council Policies**

- 5.1 Housing & Development is one of the key themes that shaped the vision for Lewes set out in the 2016-2020 Corporate Plan. The proposals contained within this report flow directly from the HRA 30-Year Business Plan, which itself aligns with the draft 2020-2024 Corporate Plan, currently under development. Key (current and future) Council policies, plans and strategies will all be aligned to

help deliver the objectives and goals of the HRA 30-Year Business Plan, including the Housing Strategy, Commercial Strategy, Allocations Policy, Homelessness Strategy, Local Plan, Tenancy Policy and Town Centre Strategy.

## **6 Business Case and Alternative Option(s) Considered**

- 6.1 The capital and revenue budgets, rents and service charges have been set in line with Government policy and with the HRA 30-Year Business Plan, which was previously considered on this agenda.

## **7 Financial Appraisal**

- 7.1 This is included in the main body of the report.

## **8 Legal Implications**

- 8.1 Local housing authorities are required by Section 74 of the Local Government and Housing Act 1989 to keep a Housing Revenue Account (HRA) unless the Secretary of State has consented to their not doing so. The account must show credits and debits arising from the authorities' activities as landlord. The HRA identifies the major elements of housing revenue expenditure, such as maintenance, administration and contributions to capital costs, and how there are funded by rents and other income.
- 8.2 Section 76 of the 1989 Act states that budgets must be set for the HRA on an annual basis in January or February before the start of the financial year. A local authority may not budget for an overall deficit on the HRA and all reasonable steps must be taken to avoid a deficit.
- 8.3 Section 24 of the Housing Act 1985 gives local authorities the power to make reasonable charges for the tenancy or occupation of dwellings. Rent setting must be seen in the context of the statutory duty to set a balanced HRA budget.
- 8.4 The Welfare Reform and Work Act 2016, passed in March 2016, set the rent setting policy for 4 years whereby social rents in England were to be reduced by 1%. In October 2017 the government confirmed details for future social rents and from 2020/21 providers will be able to increase rents up to a limit of CPI plus 1% each year. This policy is designed to provide more certainty over rent levels.
- 8.5 Under the Local Authorities (Functions and Responsibilities) Regulations 2000, the task of formulating a plan for determining the Council's minimum revenue provision (i.e. its budget) is the responsibility of Cabinet, whilst the approval or adoption of that plan is the responsibility of the full Council. This explains why Cabinet is being asked to recommend its budget proposals to Council.

## **9 Risk Management Implications**

- 9.1 The 2020/21 Budget and Capital Programme will require close monitoring in the forthcoming year to ensure that they, and therefore the 30-Year HRA Business Plan, remain on track. Any large variances to expenditure or income will need to be reviewed and, if significant or ongoing, modelled into the Business Plan to

assess the impact and likely mitigation.

- 9.2 Levels of voids and debts will also require close monitoring to ensure that rent and service charge increases are not causing greater levels of non-payment. Timely action will need to be taken if performance targets are not being met.

## **10 Equality Analysis**

- 10.1 An Equality and Fairness Analysis has been undertaken on these proposals. This has concluded that;

- Negative impacts
- Positive impacts
- Mitigating actions

All groups protected under the Equality Act should benefit from the Council's ability to provide more, and better, affordable housing from 2020/21 onwards. The Equality and Fairness Analysis has been included as a background paper

## **11 Sustainability Implications**

- 11.1 Setting aside £500k in 2020/21 in the HRA Business Plan will help Lewes District Council move towards meeting its target of achieving zero carbon emissions and full climate resilience by 2030.

## **12 Appendices**

- Appendix 1 - HRA 2019/20 Revised Revenue Budget and 2020/21 Budget
- Appendix 2 - HRA Capital Programme 2019/20-2022/23

## **13 Background Papers**

- HRA 2020/21 Budget Working Papers
- HRA 30-Year Business Plan Model
- HRA Right to Buy Model
- Equalities and Fairness Analysis

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## HOUSING REVENUE ACCOUNT

| 2019-2020                                      |                            |   | 2020-2021        |
|--|----------------------------|---|------------------|
| Original<br>Budget<br>£' 000                   | Revised<br>Budget<br>£'000 |   | Budget<br>£' 000 |
| <b>INCOME</b>                                  |                            |   |                  |
| (14,224)                                       | (14,533)                   | Dwelling Rents                                      | (14,669)         |
| (445)  | (445)                      | Non-Dwelling Rents                                  | (456)            |
| (1,173)  | (1,173)                    | Charges for Services and Facilities                 | (1,203)          |
| (179)  | (179)                      | Contributions towards Expenditure                   | (183)            |
| <b>(16,021)</b>                                | <b>(16,330)</b>            | <b>GROSS INCOME</b>                                 | <b>(16,511)</b>  |
| <b>EXPENDITURE</b>                             |                            |   |                  |
| 4,439  | 4,439                      | Repairs and Maintenance                             | 4,546            |
| 1,685  | 2,037                      | Supervision and Management                          | 2,281            |
| 1,344  | 1,344                      | Special Services                                    | 1,376            |
| 178  | 178                        | Rents, Rates, Taxes and Other Charges               | 182              |
| 50   | 148                        | Increase in Impairment of Debtors                   | 150              |
| 5,631  | 5,000                      | Depreciation of Fixed Assets                        | 5,116            |
| 3  | 3                          | Amortisation of Intangible Assets                   | 3                |
| 42   | 46                         | Debt Management Costs                               | 46               |
| (60)   | (60)                       | Joint Transformation Programme Savings              | 0                |
| 250  | 250                        | Joint Transformation Programme Contribution         | 0                |
| <b>13,562</b>                                  | <b>13,385</b>              | <b>GROSS EXPENDITURE</b>                            | <b>13,700</b>    |
| <b>(2,459)</b>                                 | <b>(2,945)</b>             | <b>NET COST OF HRA SERVICES</b>                     | <b>(2,811)</b>   |
| <b>621</b>                                     | <b>576</b>                 | HRA share of Corporate and Democratic Core          | <b>590</b>       |
| <b>(1,838)</b>                                 | <b>(2,369)</b>             | <b>NET OPERATING COST OF HRA</b>                    | <b>(2,221)</b>   |
| <b>Capital Financing and Interest Charges</b>  |                            |   |                  |
| 1,850  | 1,922                      | Interest Payable                                    | 1,922            |
| (41)   | (49)                       | Interest Receivable                                 | (36)             |
| 0  | 0                          | Revenue Contribution to Capital                     | 0                |
| <b>1,809</b>                                   | <b>1,873</b>               | <b>Total Capital Financing and Interest Charges</b> | <b>1,886</b>     |
| <b>(29)</b>                                    | <b>(496)</b>               | <b>HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT</b>  | <b>(335)</b>     |
| <b>HOUSING REVENUE ACCOUNT WORKING BALANCE</b> |                            |   |                  |
| <b>(2,251)</b>                                 | <b>(2,667)</b>             | <b>Working Balance at 1 April</b>                   | <b>(3,163)</b>   |
| <b>(29)</b>                                    | <b>(496)</b>               | <b>(Surplus) or Deficit for the year</b>            | <b>(335)</b>     |
| <b>(2,280)</b>                                 | <b>(3,163)</b>             | <b>Working Balance at 31 March</b>                  | <b>(3,498)</b>   |

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## Appendix 2

| <b>HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2019/20 - 2022/23</b> |                                   |   |  |                         |                         |                         |
|--|-----------------------------------|---|--|-------------------------|-------------------------|-------------------------|
| <b>Scheme</b>  | <b>Total Scheme Cost<br/>£000</b> | <b>Original Allocation<br/>2019/20<br/>£000</b> | <b>Revised Allocation<br/>2019/20<br/>£000</b> | <b>2020/21<br/>£000</b> | <b>2021/22<br/>£000</b> | <b>2022/23<br/>£000</b> |
| Feasibility Studies  | Ongoing                           | -   | 100  | -                       | -                       | -                       |
| Ashington Gardens Development                                      | Ongoing                           | -   | 320  | -                       | -                       | -                       |
| Saxonbury Redevelopment  | Ongoing                           | -   | 1,420  | -                       | -                       | -                       |
| Buy-back of RTB Properties   | Annual Allocation                 | 200   | 200  | 200                     | 200                     | -                       |
| New Acquisitions   | Annual Allocation                 | -   | -  | 2,387                   | 2,447                   | 2,787                   |
| New Build  | Annual Allocation                 | -   | -  | 7,467                   | 7,653                   | 7,845                   |
| Improvements to Stock  | Annual Allocation                 | 4,350   | 4,407  | 4,448                   | 4,554                   | 4,662                   |
| Disabled Adaptations   | Annual Allocation                 | 415   | 415  | 415                     | 415                     | 415                     |
| Sustainability Initiatives Pilot                                   |                                   | -   | -  | 500                     | -                       | -                       |
| Recreation & Play Areas  | Annual Allocation                 | 50  | 140  | 50                      | 50                      | 50                      |
| <b>Total HRA Capital Programme</b>                                 |                                   | <b>5,015</b>                                    | <b>7,002</b>                                   | <b>15,467</b>           | <b>15,319</b>           | <b>15,759</b>           |
| <b>Funded by:</b>  |                                   |   |  |                         |                         |                         |
| RTB Capital Receipts   |                                   | -   | 186  | 2,031                   | 574                     | 596                     |
| RTB 1-1 Receipts   |                                   | -   | 363  | 371                     | 380                     | 388                     |
| Other Capital Receipts   |                                   | -   | 1,650  | 1,500                   | -                       | -                       |
| Major Repairs Reserve  |                                   | 4,815   | 4,803  | 11,565                  | 5,902                   | 5,446                   |
| Revenue Contributions  |                                   | -   | -  | -                       | 2,595                   | 958                     |
| Borrowing  |                                   | 200   | -  | -                       | 5,868                   | 8,371                   |
| <b>Total Financing</b>   |                                   | <b>5,015</b>                                    | <b>7,002</b>                                   | <b>15,467</b>           | <b>15,319</b>           | <b>15,759</b>           |

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|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>The Werks Group – Creative Hub Lewes</b>   |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning</b>  |
| <b>Cabinet member:</b>              | <b>Councillor James MacCleary, Cabinet member for Regeneration and Prosperity</b>   |
| <b>Ward(s):</b>                     | <b>Lewes Castle</b>   |
| <b>Purpose of report:</b>           | <b>For Cabinet to note proposals for The Werks Group to take a lease on 4 Fisher Street, Lewes BN7 2DG for the creation of a creative hub and agree that up to £250,000 be earmarked from the Council’s capital programme.</b>  |
| <b>Decision type:</b>               | <b>Key Decision</b>   |
| <b>Officer recommendation(s):</b>   | <b>(1) To note proposals for the establishment of a creative hub at 4 Fisher Street;<br/>(2) To agree that the Council enter into lease agreement in line with the terms outlined within section 2;<br/>(3) To agree that up to £250,000 be earmarked from the Council’s capital programme to support the creative hub project;<br/>(4) To delegate authority to the Director of Regeneration and Planning in consultation with Cabinet Member for Regeneration and Prosperity to conclude lease arrangements with The Werks Group and to sign or execute the agreement for lease, the lease and any related documentation.</b> |
| <b>Reasons for recommendations:</b> | <b>To enable the creation of a creative co-working hub at 4 Fisher Street.</b>  |
| <b>Contact Officer(s):</b>          | <b>Name: Mark Langridge-Kemp<br/>Post title: Head of Property, Delivery and Compliance<br/>E-mail: mark.langridge-kemp@lewes-eastbourne.gov.uk<br/>Telephone number: 01323 415876</b>   |

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## **1 Introduction**

- 1.1 4 Fisher Street was formerly used as Council offices and has been vacant for a number of years; it is an attractive property, set over three floors, located in a central position within Lewes town centre.

- 1.2 The Council is keen to ensure that wherever possible property it maximises benefits for the local community and officers have been discussing options for bringing 4 Fisher Street back into use as a creative hub with The Werks Group (TWG).
- 1.3 TWG specialise in the creation of co-working space offering creative office, meeting and event spaces; this is based on its key function as support for the creative sector in Brighton & Hove and other parts of the South East. TWG also has an emphasis on building entrepreneurial communities and embedding support in these to ensure that each community and the design of each building delivers on its core values of innovation, sustainability and affordability. TWG has an historic record of success across the South East in developing hubs it operates directly or with local partners as well as undertaking feasibility studies for other creative hubs such as in Tunbridge Wells, Hastings, Faversham and Margate.
- 1.4 Office space in Lewes town centre is in short supply and high demand. This is evidenced by the number of requests that the Council receives for office space (both pop-up and more permanent) and the demand for the Council's main available office space at Lewes House. TWG would like to establish a creative hub in Lewes that builds on their successful track record and provides local businesses with much needed co-working space in a creative environment.

## **2 Proposal**

- 2.1 One of the key aspirations of In line with the aspirations of the AMP is to maximise the financial, economic and social value of the Council's assets. It is proposed that a lease be granted to TWG at 4 Fisher Street in order to develop attractive and contemporary creative hub space to include:
- Street level co-working café for drop-in and sector engagement;
  - Ground floor primarily dedicated to co-working, flexible drop-in use by creative and specialised events;
  - Contemporary office space on floor 1 and 2 on flexible terms to encourage small creative companies to grow;
  - Events and support workshops to build a growth environment in the town;
  - Boardroom and conference space.
- 2.2 The hub is to be targeted at creative industries (Creative-Digital-IT) and will encourage community development and cohesion. As with other Werks Group hubs, it will be part of a holistic offer in which a platform is provided where creatives of all kinds can develop at their own speed - initially from low usage then, usually through organic growth, taking an office and moving on within the same space.
- 2.3 The hub will have a relaxed atmosphere encouraging inter-company working and a sense of community and trusted partners, supporting a range of small companies to inter-trade and share specialist skills, helping to develop and find new business. Small companies often recruit new employees and partners locally which helps embed creative networks within the local community providing social benefits such as:

- Stability within a locally based workforce;
- A range of employment opportunities available consistently within a widening pool of inter-dependent organisations;
- Strong local ties based on work, family and friends;
- A retained interest in local events, suppliers and locally retained profits helping to drive support for other local supply chains, building strength and reliability into the whole local economy.

- 2.4 According to the Department for Digital, Culture, Media and Sport (DCMS), the creative sector has been growing consistently at over 5% in the UK for the last 20 years, showing it to be the fastest growing sector year on year and making it a positive area in which to invest. The creative economy is based on a tight network and employment pool of a large number of smaller companies, which can be a less risky proposition than investing in a property with one anchor name.
- 2.5 Employment in the creative industries is growing at twice the national rate and now accounts for more than 6% of all jobs in the UK, according to new government data. Between 2011 and 2018, the number of jobs in the creative industries increased by 30.6%, compared with 10.1% in the UK overall (DCMS). One in eight UK enterprises are creative enterprises, collectively responsible for generating £101.5 billion gross value added to the economy - a greater economic contribution than the UK's automotive, aerospace, life sciences and oil and gas industries combined (2018, Growing the UK's Creative Industries: What creative enterprises need to thrive and grow, Creative Industries Federation).
- 2.6 It is recognised that the building will need significant refurbishment in order to deliver the hub requirements and will take time to reach its full potential. It is estimated that the hub would likely be 85% let at year 6. Initial works would focus on the establishment of the heart of the hub through the creation of street level co-working space and café, and engagement space.
- 2.7 A condition assessment of the fabric of the building has been undertaken as well as a feasibility to establish refurbishment costings. Costings for full refurbishment with a replacement boiler and piping are estimated to be around £400,000.
- 2.8 The Council does not have the necessary funds to commit the full costs to this project and the arrangement with TWG would therefore be predicated on a shared capital expenditure investment. TWG would seek external grant funding to support capital funding being provided by the Council. It is proposed that the Council earmark up to £250,000 from its capital programme in order to fund the initial urgent works on the property to enable the phased establishment of the hub to commence, including roofing repairs. A schedule of works will be attached to the lease agreement and funding released in line with phasing of works.
- 2.9 The property would be leased to TWG for a 10 year period on a base peppercorn rent to reflect the external investment; this would be the minimum term sufficient to enable TWG to begin to achieve a return on its investment. Although the Council would not receive an annual rent per se, the lease would be structured in such a way as the Council would receive a percentage 'profit'

rent once the hub started to make a profit of more than £50,000, likely to commence in year 6.

- 2.10 Full lease terms would be agreed subject to Cabinet approval of the delegation recommendations in this paper, however, the estimated profit returns for the Council show that after Year 5, taking into account projected operating costs, a net profit of up to £66,000 per annum could be produced. TWG propose that LDC retains a 30% share, or around £20,000 per annum under the lease structure once the trigger is reached for the profit rent.
- 2.11 TWG would be responsible for repairs and maintenance once capital works on the building have been completed, this would ensure that the building is maintained in a good condition throughout the term of the lease. At the end of the lease, the Council could enter into a new lease with TWG.
- 2.12 Although this proposal would require an upfront capital commitment, it would remove the Council's on-going repairs and maintenance liabilities as well as rates liabilities of £35,532. In addition, it removes a significant risk for the Council of holding a vacant building in terms of security and its continued deterioration, whilst enabling much needed additional office space accommodation and supporting opportunities for an increased economy within Lewes.

### **3. Corporate plan and council policies**

- 3.1 This proposal meets the corporate aims of enabling community wealth building through a property regeneration supporting a local provider to develop co-working space for local creative workers.
- 3.2 In addition, this proposal meets the aims of the adopted Corporate Asset Management Plan by reducing maintenance costs and liabilities and ensuring social and economic value is maximised and that the Council only holds property that meets corporate aims and objectives.

### **4. Financial appraisal**

- 4.1 The recommendation is to agree that up to £250,000 be earmarked from the Council's capital programme to support the creative hub project. It is noted that not all capital programme projects have full funding in place and given the current financial climate for public funding and its impact on the Council's financial position, it is sensible to have this flexibility before substantial financial commitments are made. The proposal is subject to continual review to establish whether the forecast as stated within section 2 (above) remains achievable. Whilst the intention is for the Council to progress the proposal as stated, some priority projects and their sources of funding may require re-profiling into future years.

### **5. Legal implications**

- 5.1 An Agreement for Lease will need to be completed prior to the Council providing any funding for the initial works. The Agreement will be based on the agreed



heads of terms and will commit both parties to enter into an agreed form of lease once the initial works have been completed.

- 5.2 The Council has powers under the Local Government Act 1972 to dispose of land in any manner it wishes, including sale of its freehold interest, granting a lease or assigning any unexpired term on a lease. The only constraint is that a disposal must be for the best consideration reasonably obtainable (except in the case of short leases of less than 7 years), unless the Secretary of State consents to the disposal.
- 5.3 The Secretary of State has a power to give local authorities a general consent for the purposes of such disposals and has provided such a consent for the disposal of any interest in land which the Council considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area where the undervalue does not exceed £2,000,000. This consent is given under the Local Government Act 1972 general disposal consent (England) 2003.
- 5.4 However, when disposing of land at an undervalue, the Council must remain aware of the need to fulfil its fiduciary duty in a way which is accountable to local people. The Council should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.
- 5.5 Any disposal by the Council at an undervalue is potentially State aid and therefore subject to EU State aid rules. Similar UK rules are intended to be applied following Brexit. Advice on this will be provided by legal prior to completion of the Agreement for Lease.

PWB 10/01/20 iken 8477

## **6. Risk management implications**

- 6.1 There are inherent risks with the Council continuing to hold a vacant building as outlined within this report. These proposals will help to remove existing risks and future liabilities for the Council as well as providing positive benefit for the local community.

## **7. Equality analysis**

- 7.1 An Equality and Fairness screening has been undertaken and it is assessed that an Equality Analysis is not applicable to this report.

## **8. Environmental sustainability implications**

- 8.1 This proposal will help to support the future of this important asset. There may be additional measures that could be employed to increase the building energy efficiency, most notably low energy lighting, solar panels and changing the existing heating system. These options will be explored as part of refurbishment of the building.

**9. Appendices**

- None

**10. Background papers**

- None

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|-------------------------------------|--|
| <b>Report to:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | <b>10 February 2020</b>  |
| <b>Title:</b>                       | <b>Avis Way Waste Vehicle Depot – Revised Funding</b>  |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning<br/>Director of Service Delivery</b>  |
| <b>Cabinet member:</b>              | <b>Cllr Julie Carr, Cabinet member for recycling, waste and open spaces</b>  |
| <b>Ward(s):</b>                     | <b>Newhaven Valley, Newhaven Denton &amp; Meeching</b>   |
| <b>Purpose of report:</b>           | <b>To approve a request for additional funding to construct the previously approved new waste depot and vehicle servicing facility at Avis Way, Newhaven</b>   |
| <b>Decision type:</b>               | <b>Key Decision</b>  |
| <b>Officer recommendation(s):</b>   | <b>(1) That Cabinet allocates an additional £800k funding to the £4.1m already approved to deliver the new waste vehicle depot facility</b><br><b>(2) Cabinet allocates up to £200k from the £4.1m already approved to enable early demolition of the derelict, unsafe and unlettable buildings at 9/10 Avis Way</b> |
| <b>Reasons for recommendations:</b> | <b>To enable the new waste vehicle depot and vehicle servicing facility in Newhaven to be built, so that we can vacate the outdated Robinson Road facility.</b><br><b>To enable short term letting of the cleared site and free the site for construction to commence once finally approved.</b>                     |
| <b>Contact Officer(s):</b>          | <b>Name: Colin Jordan<br/>Post Title: Project Manager<br/>Email: colin.jordan@lewes-eastbourne.gov.uk<br/>Telephone number: 01323 415808</b>   |

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## **1 Introduction**

- 1.1 On 2 July 2018 Cabinet allocated up to £4.1m within the Capital Programme to deliver a new waste vehicle and workshop facility on council owned land at units 9 & 10 Avis Way Newhaven, and gave delegated authority to the Director of Regeneration and Planning to deliver this.

- 1.2 The project has commenced and site surveys have identified that the proposed location would need more intensive deep piling which consequently displaces a larger volume of contaminated soil than allowed for in the original £4.1m budget. It should be possible to contain most of the contaminated spoil on site using a 'cut and fill' technique however the overall budget will increase; we are seeking an additional £0.8m to cover the increase in costs and a small contingency
- 1.3 The cut and cover proposal will save around £2m compared to off-site removal and any filled ground can be landscaped to promote biodiversity,

## **2 Proposal**

- 2.1 Request a maximum of £800k additional funding from Cabinet to meet the costs for construction of a new Waste Vehicle Depot now further information is known on the ground and site condition. The overall cost of the project will be a maximum of £4.9m with sustainability elements incorporated as an integral part of the design.

## **3 Outcome expected and performance management**

- 3.1 Moving the depot to Avis Way would enable opportunities for the service to expand and to explore new revenue streams. Additionally, there are likely to be running costs savings for a new facility and it will remove the need for an expensive upgrade of the Robinson Road facilities to maintain operations and improve the site health and safety issues.

## **4 Consultation**

- 4.1 Consultation will take place as part of the planning process. The design of the new depot has been undertaken with the service team from Environment First as the client to ensure full consultation with the staff and management team. The Environment First team will be an ongoing key member of the design and delivery team in developing the new depot.

All designs are still subject to planning, so may change during stage 2.

## **5 Corporate plan and council policies**

- 5.1 This supports the Council's policy for delivering a quality environment.

## **6 Business case and alternative option(s) considered**

- 6.1 There have been extensive assessments to ensure there are no other sites available for the depot across the public sector estate and private land holdings. Soft soil conditions prevail over most of the Newhaven area. Sites located within the industrial areas, where a waste depot could be built are also likely to suffer similar contaminated soil conditions. The Council does not currently own any other suitable land holdings where a waste depot could be relocated and so Avis Way remains the best option.

6.2 The only other possible option would be to do nothing and for the depot to remain at Robinson Road however this is not a viable option as the depot is too small and awkward to meet the current needs of the service; it has reached the end of its useful life and will require significant investment to meet health & safety and business requirements.

6.3 By developing the derelict Avis Way site for LDC use, there is a loss of rental revenue for that site, however the new building is likely to deliver running cost savings compared to the existing facility and it will have the opportunity to develop and grow new revenue streams. Also, the Robinson Road depot will be vacant which can either be leased for a rental income or redeveloped, which will again bring in an income or capital receipt to net off against capital outlay.

## **7 Financial appraisal**

7.1 The overarching reason for the recommendations is to enable the new waste vehicle depot and vehicle servicing facility in Newhaven to be built, so that the Council can vacate the outdated Robinson Road facility. The additional funding of £800k (including a contingency) required to meet the site conditions additional costs which brings the project overall cost to £4.9m.

7.2 Any additional capital proposals affecting the General Fund/capital programme over and above the existing approved budget will need to be considered on a case by case basis as part of the business case process for any new/ongoing schemes.

## **8 Legal implications**

8.1 A Report on Title will be commissioned to ensure that the site is not subject to any title matters which would restrict development. Vacant possession of the leased area has been obtained.

8.2 The initial design stages have been taken forward by the Council's Clear Sustainable Futures joint venture. The contract with Clear Sustainable Futures was procured in compliance with the Council's Contract Procedure Rules and so can be used in accordance with its terms without the need for a further competitive process to take the project forward.

8.3 All transactions will be on market terms and so no issue of State Aid will arise.

## **9 Risk management implications**

9.1 The project manager has a risk management matrix with identified actions and mitigations. Any remaining risks are reported through regular project management updates.

## **10 Equality analysis**

10.1 There is no change from the initial assessment, which indicates that there will be only either positive or neutral impacts upon equalities.

## **11 Environmental sustainability implications**

- 11.1 As previously noted, sustainability elements have been integral to the design and the current scheme includes a wind turbine to provide a significant proportion of the sites electrical needs and air source heat pumps to provide the majority of the sites heat needs. There is a provision for a gas-based heating system for the workshop (as it is a problematic area to heat) however at the next stage of design this will be reviewed so that the site can be gas free.
- 11.2 The next design stage will confirm the roof area available for the installation of Photo Voltaic panel's, which will further increase the on site electric generation.
- 11.3 Four electric charging points are to be installed (for the current van fleet) and trunking will be installed across the yard passing in close proximity to all parking bays to enable additional vehicle electric charging points (including HGVs) at a later date.

## **12 Appendices**

- None

## **13 Background papers**

- [Original Cabinet Paper - Asset Development Avis Way July 2018 v2](#)
- [July 2nd Cabinet minutes](#)

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|-------------------------------------|--|
| <b>Report to:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | <b>10 February 2020</b>  |
| <b>Title:</b>                       | <b>Climate change and sustainability strategy – progress report</b>  |
| <b>Report of:</b>                   | <b>Director of Regeneration and Planning</b>   |
| <b>Cabinet member:</b>              | <b>Cllr Matthew Bird, Cabinet Member for Sustainability</b>  |
| <b>Ward(s):</b>                     | <b>All</b>   |
| <b>Purpose of report:</b>           | <b>To provide an update to the Climate Emergency Resolution of July 2019</b>   |
| <b>Decision type:</b>               | <b>Key</b>   |
| <b>Officer recommendation(s):</b>   | <b>Cabinet is recommended to note the report and to;</b><br><b>(1) Approve the ‘Next Steps’ actions outlined in section 5.</b><br><b>(2) Approve the ‘Consultation and Engagement Proposals’ set out in section 4, and</b><br><b>(3) Delegate authority to the Director of Planning and Regeneration, in consultation with the Lead Member for Sustainability, to;</b><br><b>(i) investigate the viability of moving the Council on to a green electricity tariff; and</b><br><b>(ii) if appropriate, to sign the Council up to this tariff.</b> |
| <b>Reasons for recommendations:</b> | <b>To progress towards the aims of the Climate Emergency Resolution of July 2019.</b>  |
| <b>Contact Officer(s):</b>          | <b>Name: Kate Richardson</b><br><b>Post title: Strategy &amp; Partnership Lead- Sustainability</b><br><b>E-mail: kate.richardson@lewes-eastbourne.gov.uk</b><br><b>Telephone number: 01323 415202</b>  |

## **1 Introduction**

- 1.1 This paper sets out progress to date and proposed next steps following the declaration of the climate emergency at Lewes District Council (LDC) in July 2019.
- 1.2 It was agreed by Cabinet in September 2019 that a post should be established to work on this agenda, funded jointly with Eastbourne Borough Council, to enable us to progress at pace. This position has now been filled. Kate Richardson started in post on 14 November 2019.
- 1.3 At the Cabinet meeting in September 2019 it was also agreed to commit £100k from the current year's budget to climate emergency related work. £15k is funding the above post in the current year, with the remainder (£85k) being available, as required, as a carbon emergency fund to undertake relevant projects and initiatives. Appendix 1 provides details of how this budget has been allocated.

## **2 Summary of Council Action**

- 2.1 Prior to the council's adoption of the Climate Emergency Resolution in July 2019, a range of carbon reduction work had already been undertaken throughout the Council, much of this is considered 'business as usual'. Some examples (not an exhaustive list) are provided below, under the 9 strands of sustainability set out in the September Cabinet report.

### **2.2 Energy**

The Council has 253 air source heat pumps (ASHP), over 600 solar photovoltaic systems on its housing stock and some properties in Peacehaven have had high efficiency electric heating installed. To reduce energy consumption Homes First have retro-fitted a variety of energy efficient lights, boilers and controls in our council houses; New boilers within our housing stock have hydrogen conversion capability. The Homes First team is continually evaluating new technology, for example, heat recovery units are currently under consideration.

### **2.3 Waste & Recycling**

There continues to be active engagement with residents to encourage recycling and to reduce waste. The Council has seen recycling rates increase substantially through the introduction of co-mingled recycling and the new garden waste collections.

Internally the Council has conducted a single-use plastics audit and have reduced and eliminated these where possible in council buildings.



The Council has also been developing the recycling of construction waste at its development sites.

#### 2.4 Water

Homes First has been evaluating the use of permeable resins as replacement for impermeable outside surfaces.

There has been continued input into planning applications regarding flood mitigation. There are active multi-agency partnerships involved in coastal management. The Council will be part of the Sussex Flow Initiative project for a further 3 years. This project looks at upstream river flow in the River Ouse. The Council continues to be part of the Greater Brighton Water Working Group. Substantial ongoing work continues on natural flood management of the River Ouse.

The Council has installed a drinking water fountain at the new Newhaven skatepark and pumptrack and is progressing with an installation at Lewes skatepark.

#### 2.5 Biodiversity

There has been an increase in wildflower planting areas and the Pollinator Strategy has been adopted. The frequency of grass cutting has been reduced in some areas to encourage re-wilding and biodiversity. The use of pesticides is limited and has reduced through the Pesticide Policy approved in October 2019.

#### 2.6 Transport

Internally the staff car leasing programme has ceased and the Council has joined the easitNetwork group to encourage sustainable travel; access is provided to Cyclescheme; and flexible working is enabled. Video conferencing is enabled and encouraged to reduce travel between offices.

Waste and recycling collections form the bulk of corporate transport emissions so consideration is being given to ways in which this can be reduced. To reduce mileage the recycling routes with Lewes District have been optimised and the distance travelled to waste disposal locations has been reduced. The Waste and Recycling team supervisors use 2 fully electric vans and a long term procurement strategy to reduce emissions across the rest of the fleet will be developed.

£250,000 from the Council's Community Infrastructure Levy (CIL) fund was provided in October 2019 to help get work started on phase 5 of the Egrets Way network of paths – the new 1.1km stretch of the network will surface the route between Newhaven and Piddinghoe.

## 2.7 Air quality

There has been a campaign to reduce idling vehicles outside schools and the Council continues to monitor NOx and PM10. There is continued management of the 2 Air Quality Management Areas within Lewes town and Newhaven. The Council has secured a site for an air quality monitoring station in Newhaven, the station cabinet has been purchased and the Council is mobilising the infrastructure ready for installation before the end of the financial year.

## 2.8 Procurement

In line with the council's Community Wealth building commitments (see para 5.2) the Council is increasing the social value of contracts procured. We have also been making the environmental specifications within development contracts more rigorous.

## 2.9 Food

The Parks and Outdoor Spaces teams have been planting fruit trees where appropriate. The apple crop from Lewes House garden continues to be made available for community use.

## 2.10 Planning Policy and Development

Within the Commercial Business team the Council has been: preparing a 'whole estate plan'; developing and utilising a 'Development checklist' against which the Council can challenge itself to provide the most sustainable developments it can; supporting planning policy in developing sustainable travel solutions; developing a new sustainable waste vehicle depot; and building new sustainable homes. The Planning Policy team have published a supplementary planning document for renewable energy generation technology and a technical guide for electric vehicle chargepoints.

## 3 **Actions to progress the climate emergency resolution**

3.1 The council's climate emergency resolution in July 2019 set out a range of actions the council committed to take as a matter of urgency to start addressing the climate resolution. Progress against these actions is set out here.

- a) With the appointment of the Strategy and Partnership Lead for Sustainability late in 2019, progress has now started on the formulation of a comprehensive climate change strategy. This will be presented to Cabinet in July 2020.

- b) All reports being prepared for the 2020/21 budget, and indeed all other council reports now take into account the actions the Council will take to address the climate emergency. A 'Sustainability Implications Statement' section has been built into all reports. Report authors will be trained in how to understand and articulate these statements, which will be refined and developed over the next 6 months.
- c) The Climate Change Scrutiny Panel has been constituted and met for the first time on 30 January 2020.
- d) The Portfolio Holder for Sustainability has drafted a letter to the Government to set out the Council's intentions and call on the UK Government to provide the powers, resources and help with funding to make this possible, Following the General Election, this letter is due to be sent shortly both to Government and to the local MP.
- e) Progress has been made in establishing vehicles to enable partners, community group and local people to be fully engaged and involved in this work. Further details of this can be found in section 4 below.

3.2 In addition to the specific resolutions made by Council in July 2019, a number of additional initiatives have been progressed to ensure full organisational buy-in to this significant area of work, including;

- a) The inaugural meeting of the Officer Working Group was held on the 28<sup>th</sup> November 2019 with representatives from across the Councils services attending. Officers were briefed on the work required going forward and the need for all relevant functions and services to be fully engaged and committed to deliver of the corporate climate emergency objectives.
- b) The Staff Conference was held in November 2019 with a strong theme of the climate emergency running throughout.
- c) Various functions within the authority have developed their own team carbon reduction pledges and commitments.

## 4 Consultation and engagement proposals

4.1 The Climate Change Resolution made a strong commitment to the council working in partnership with others to progress its sustainability agenda. To this end a proposed approach to engagement has been developed. The purpose of this is to meet the following five main objectives;

1. To develop a **district-wide ownership** of the climate emergency, with the council and partners supporting each other in developing solutions to achieve a carbon neutral district by 2030

2. To enable the council to have the **input from local experts** into the formulation and development of strategy, policy and projects around this agenda
3. To **consult** with the community and stakeholders; hearing and considering their views as the council develops its plans and proposals
4. To support and encourage **voices from all parts of the community, in particular young people**, to help shape and deliver the future sustainability of the district
5. To keep the community and stakeholders **informed** of the council's progress

4.2 To achieve these objectives, it is proposed that two partnership bodies be established;

#### A Sustainability Panel

4.3 A first meeting was held November 2019 to bring together a range of representatives from local groups and organisations with an interest in sustainability. At that event the council shared its initial short term plans and sought partners' commitment further involvement and engagement.

The Panel, as is it is currently made up, comprises a combination of 'expert advisors' who have particular specialisms and professional expertise alongside others who are strong campaigners and community activists. Going forward it is suggested that the Panel membership be limited to those who it is felt are best able to fulfil the 'expert advisor' role (as per objective 2 above), with others being invited to participate in a Community Climate Change Forum (see below).

#### A Community Climate Change Forum

4.4 As stated in the council resolution, it is intended that there be a forum open to local communities, parish and town councils, voluntary and community organisations, businesses, educational establishments, nature groups, and bodies with an interest in agriculture food, health and transport.

This Forum's purpose would be to help develop a district-wide ownership of the climate emergency, provide a vehicle for communication and consultation and provide a focus for sustainability issues in the district.

To enable the Forum to have independence from the council, a third party will be commissioned to undertake its facilitation and administration. A budget has been allocated with which to commission this work. Expressions of interest will be requested from local not-for-profit organisations who may wish (singly or in partnership) to undertake the work.

In order to ensure the aspiration to have a strong local youth voice around these issues, the specification for Forum facilitation will include a request for bidders to set out how they will ensure young people are fully engaged and included. Plans are also in place to engage with the East Sussex Youth Cabinet to gauge their views on how they would wish to be involved.

## 5 Next Steps

5.1 Over the past few months a new draft Corporate Plan has been drawn up which articulates the Council's ambitions and priorities for the next four years. A report on the draft Corporate Plan can be found elsewhere on this agenda.

This is currently subject to public consultation and sets out 12 key proposed priority actions in relation to sustainability and climate change. The contributions provided by the Sustainability Panel (see section 4.3 above) have helped to shape this part of the draft Corporate Plan.

5.2 The draft Corporate Plan also clearly articulates the priority for building community wealth over the next four years. Achieving sustainability and building community wealth are intrinsically linked. Many of the actions set out in this report therefore will, therefore, be delivered in a way help achieve community wealth building objectives. The 5 principles of community wealth building<sup>1</sup> are;

- Plural ownership of the economy.
- Making financial power work for local places.
- Fair employment and just labour markets.
- Progressive procurement of goods and services.
- Socially productive use of land and property,

5.3 Paragraphs 5.4.1 – 5.4.12 of this report refer to each of the 12 key proposed priority actions for sustainability set out in the draft Corporate Plan, and sets out next steps, for Cabinets' consideration. To achieve carbon neutrality by 2030, the council needs to prioritise and urgently progress a number of actions at pace.

5.4 It should be noted that the actions set out in this section represent simply the proposed *early* action in some of these areas. **A much fuller, long term, costed plan which more fully addresses all 12 areas, will form part of the comprehensive climate change strategy to be presented to Cabinet in July 2020.**

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<sup>1</sup> <https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/>

#### 5.4.1 Carbon baselining

In order to measure progress towards our carbon neutral goal we will agree our approach to measuring carbon emissions and then determine the 2018/19 carbon baseline for the Council. We will then be able to measure our progress against this baseline. Appropriate consultants will be engaged if needed to assist in determination of the carbon trajectory to meet zero carbon targets across the authority and District.

#### 5.4.2 Influencing others to achieve a net carbon zero district

The council will use its community and strategic leadership role with the aim of bringing about a shared commitment to carbon reduction across the district. Through its strategic partnership relationships with other key stakeholders locally (statutory, private sector, voluntary and community), there will be a strong focus on influencing others to contribute, with urgency, to the climate emergency.

In addition, as set out in section 4 above, a programme of engagement events and activities will be developed and delivered over the coming months which will help to share inform partners and residents about the contribution they can make. We will also make use of the full range of media channels (including District News, social media and traditional media routes) to promote key messages.

#### 5.4.3 Shifting to zero carbon electricity generation

In conjunction with the Lead Member for Sustainability, we will investigate moving the council on to a green electricity tariff at the end of the current contract which runs to 30<sup>th</sup> September 2020. The Council must provide 6 months' notice of contract changes which means we must agree changes by end of March 2020. To this end, Cabinet is asked to agreed delegate authority to the Director of Planning and Regeneration, in consultation with the Lead Member for Sustainability, to investigate the viability of moving the Council on to a green electricity tariff; and if appropriate, to sign the Council up to this tariff.

To tackle wider district-wide shifts in this area, a Community Energy Forum will be established to act as a central point to co-ordinate and forward the community energy agenda. We will also continue work with other partners to implement the Greater Brighton Energy Plan.

We will promote, alongside other district and boroughs in East and West Sussex, the Solar Together scheme which will enable private residents to 'group-buy' solar PV panels at competitive prices. This, alongside the existing

Warmer Sussex scheme provides a range of ways in which owner-occupiers can get advice on retro-fitting their homes, to reduce energy consumption and cut their fuel bills.

#### 5.4.4 Improving energy efficiency and decarbonising our Council Houses

The Council, jointly with Eastbourne Borough Council, will explore opportunities to work with other local providers of council owned housing. The purpose will be to discuss implications of the climate emergency on refurbishment, retro-fit and investment plans and to decide if a partnership approach could generate efficiencies of scale.

An additional £500k has been allocated within the Housing Revenue Account to contribute to the decarbonising of our own council housing stock. As well as directly contributing to the climate change agenda this will also reduce fuel poverty by creating warmer and cheaper to run homes, directly improving the lives of our tenants.

#### 5.4.5 Encouraging more walking and cycling

Alongside other work that is already on-going to improve provision of cycle routes in the district, we will commission a feasibility study into an e-bikes scheme for the area. We will also encourage the establishment of a district-wide cycle forum in order to further explore how cycling can be promoted in the future.

#### 5.4.6 Improving air quality through modal shift in local transport

We aim to take a strategic approach to our air quality work in conjunction with ESCC as a key partner. Whilst we work on a holistic strategy, an early focus will be on working with ESCC and other district and borough partners in East Sussex to establish an electric vehicle (EV) charge-point strategy and draw up a plan for implementation in Lewes.

#### 5.4.7 The Greenest Local Plan

Have the greenest Local Plan and putting sustainability at the heart of our local planning processes is a central pillar of the sustainability work. This has begun with the agreement of the statement of community involvement which is crucial to the development of the plan. A new cross party Local Plan Steering Group of seven elected members has been established and met in January 2020. This group will agree the scope of the Local Plan review, in line with recent guidance from the Planning Advisory Service.

#### 5.4.8 Increasing biodiversity

We will take a strategic approach to biodiversity, building on our existing plans in this area. We will look to increase wildflower and pollinator opportunities through cutting pesticide use on council land. We will also formulate an extensive tree planting plan. More detail on this will form a part of the comprehensive climate change strategy.

#### 5.4.9 Influence reduction in emissions through agriculture and food production

We are committed to influencing and creating conditions for a reduction in emissions from agriculture and food production. Again, more detail on this will form a part of the comprehensive climate change strategy.

#### 5.4.10 Reduce waste and waste related emissions

We are committed to reducing waste and emissions that arise from dealing with waste. Early work in this area is focused on calculating the carbon footprint of our current waste fleet with a view to considering how improvements can be made.

#### 5.4.11 Flooding and coastal erosion

Some long term existing workstreams relating flooding and coastal erosion are continuing. Our overall strategic approach to these challenging issues will form a part of the comprehensive climate change strategy.

#### 5.4.12 Energy efficient, climate resilient and adaptable housing

The aspiration to build and encourage affordable, energy efficient, climate resilient and adaptable locally sourced and provided housing is clearly set out in the draft Corporate Plan. A separate Housing Strategy for the district will be developed over the coming months to address this.

### **6 Financial appraisal**

6.1 The finance implications of this report for this year have largely already been agreed as part of the Sustainability Fund 2019/20 (Report to the Leader 05 November 2019).  
See Appendix 2 for more information.

6.2 There is likely to be an increase in the cost of the electricity contract (anticipated to be in the region of an additional 0.05p/kwh)



## **7 Legal implications**

7.1 The principal piece of UK-wide legislation relating to carbon neutrality is the Climate Change Act 2008. When first implemented, it required the UK to achieve an 80% reduction in greenhouse gas\* levels (relative to 1990 levels) by 2050 but, in June 2019, further legislation was passed which revised the target upward from 80% to 100%.

\*Greenhouse gases comprise primarily CO<sub>2</sub>, but also methane, nitrous oxide and certain fluorocarbons.

The 2008 Act also provided for five-year carbon budgets and emissions trading schemes.

The legal obligations created by the Act fall exclusively on central government. Nonetheless, Lewes District Council can actively contribute to carbon reduction through its–

- management of its own estate and assets
- community leadership
- regulatory role, particularly as local planning authority – through adherence to the National Planning Policy Framework and its own Local Plan
- service provider role, especially as waste collection authority and housing authority.

At local level, climate change legal duties that apply specifically to district / borough councils include section 19(1A) of the Planning and Compulsory Purchase Act 2004. This requires that a local authority's development plan documents must, taken as a whole, include policies designed to secure that the development and use of land in its local planning authority area contribute to the mitigation of, and adaptation, to climate change.

The Council's powers to take carbon reduction measures across any of these functions stem, if not from function-specific legislation, from section 1 of the Localism Act 2011, which grants the 'general power of competence' to qualifying local authorities.

Lawyer consulted 14.01.20

Legal ref: 008860-LDC-OD

## **8 Risk management implications**

8.1 Failure to agree and progress the actions at pace could lead to failure to meet the aims and targets within the Climate Emergency Resolution of July 2019.

## **9 Equality analysis**

9.1 It is assessed that an Equality Analysis is not required for this report.

## **10 Environmental sustainability implications**

10.1 This report directly relates to the achievement of making the Council zero carbon by 2030 and assisting the Borough to become Carbon Neutral. Implementation of actions to achieve carbon neutrality is key to mitigate the predicted negative impacts of climate change on the environment, economy and communities.

## **11 Appendices**

Appendix 1: Sustainability budget as agreed by Leader Decision (12 November 2019)

## **12 Background papers**

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

Report to Cabinet: Climate Emergency, 16<sup>th</sup> September 2019

<https://democracy.lewes-eastbourne.gov.uk/documents/s12174/Climate%20emergency.pdf>

**Sustainability budget as agreed by Leader Decision (12 November 2019)**

|   |                  |
|---|------------------|
| Expert advice and support for community wealth building | £ 10,000         |
| Monitoring advice/tools for carbon base lining          | £ 5,000          |
| Expert advice and support for carbon reduction measures | £ 10,000         |
| Tree planting and other sustainability initiatives      | £ 20,000         |
| Solar Together  | £ 5,000          |
| Climate Change Forum                                    | £ 5,000          |
| OVESCO Sunny Solar Schools                              | £ 5,000          |
| Cycling initiatives                                     | £ 20,000         |
| EV feasibility  | £ 5,000          |
| Staffing  | £ 15,000         |
| <b>TOTAL</b>  | <b>£ 100,000</b> |



|                                   |  |
|-----------------------------------|--|
| <b>Report to:</b>                 | <b>Cabinet</b>   |
| <b>Date:</b>                      | <b>10 February 2020</b>  |
| <b>Title:</b>                     | <b>Former Police and Fire Station Sites, Newhaven</b>  |
| <b>Report of:</b>                 | <b>Director of Regeneration and Planning</b>   |
| <b>Cabinet member:</b>            | <b>Cllr William Meyer, Cabinet member for Housing</b>  |
| <b>Ward(s):</b>                   | <b>Newhaven Denton and Meeching</b>  |
| <b>Purpose of report:</b>         | <b>To seek approval to the acquisition of the sites in Newhaven formally housing the Police and Fire stations for development as affordable housing.</b>   |
| <b>Decision type:</b>             | <b>Key</b>   |
| <b>Officer recommendation(s):</b> | <ol style="list-style-type: none"><li><b>1 To approve the purchase of two sites in Newhaven known as the Former Police Station, and the former fire station details in Appendix A either separately or together.</b></li><li><b>2 To authorise the Director of Regeneration and Planning, in consultation with the Lead Member for Housing, to finalise the terms of the purchase of both sites and to sign or execute as appropriate the purchase agreements, transfers and all related documentation including the SDLT return.</b></li><li><b>3 To approve in principle the development of the two sites (or either one of them if the other cannot be acquired) for Council housing within the Housing Revenue Account (HRA), funded through the annual Council budget.</b></li><li><b>4 To authorise the Director of Regeneration and Planning, in consultation with the Lead Member for Housing, to finalise the terms of the building contract and any related appointments and contracts..The approval to sign or execute as appropriate the building contract, the appointments and all related documentation and to start works on site will be subject to a subsequent Cabinet report</b></li><li><b>5 To approve the acceptance of a grant from Homes England to part finance the development. To authorise the Director of Regeneration and Planning,</b></li></ol> |

**in consultation with the Lead Member for Housing, to finalise the terms of and sign the Grant Agreement.**

**Reasons for recommendations:** The overarching reason for the recommendations is to maximise the Council's ability to provide affordable housing within the District, partly through the full utilisation of receipts received from Council homes sold under the Right to Buy.

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

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## **1 Introduction**

1.1 In January 2016 Lewes District Council (LDC), Sussex Police and East Sussex Fire and Rescue Service (ESFRS) joined together to move into a shared office at Saxon House and vacate their Newhaven facilities. The Police Station site has since been vacant and the Fire Station Site has only had a temporary uses and both organisations are now willing to sell their sites to LDC to develop new Council homes.

## **2 Proposals**

### *2.1 Acquisition of Police and Fire Station Sites*

LDC has had red-book market valuations carried out and has now commenced negotiations with Sussex Police and ESFRS to agree to purchase their sites. Provisional price structures have been agreed with each authority, but are dependent upon scale of development and planning permission. The purchases of the two sites are not contractually linked and the sites are not adjacent and may come forward independently of each other.

### *2.2 Police Station*

The former police station is in a prominent location at the junction of South Way and South Road in the centre of the town. It currently has a 3-storey office building taking up approximately a third of the site, with the remaining land having been used as a car park for the building, with access from Chapel Street. The site is in a highly sustainable location being very close to the Town Centre retail area and on bus routes to Brighton, Lewes and Eastbourne and within 500 metres of the railway station, meaning that a scheme could be designed to be car light or car free.

The site was identified in the Newhaven Neighbourhood Plan as having potential for a minimum for 15 homes, on a site of approximately 0.15 hectares.

### 2.3 *Fire Station*

The ESFRS site is located mid-way along Fort Road at the junction with Lorraine Road and West Quay Road. The site is cut into the hill that slopes steeply up to the West and the surrounding properties are mainly residential. It currently has the former fire station building and training tower on the site.

The site has a lapsed planning consent for 7 x 3-bedroomed town houses on an area of approximately 0.16 hectares.

### 2.4 *Development Proposal*

Following the acquisition of the sites, the development will be progressed as one project to design, achieve planning consent and seek costed tenders for the development of new Council housing. The project will return to Cabinet for a final approval to proceed with construction.

Detailed scheme designs are yet to be commenced, but the aspirational project objectives will include the following:

- Police Station site to deliver 15-25 flats
- Fire Station site to deliver 7 x 3-bedroom houses
- Fabric first approach to sustainable homes
- Low carbon energy usage, including no gas heating
- Water saving/collection features
- Accelerated delivery through Modern Methods of construction

## 3 **Outcome expected and performance management**

- 3.1 The expected outcome of this report's recommendations will be that LDC will be able to design, gain planning consent and present a fully costed development plan back to Cabinet. There are not currently any fixed timescales for delivery of this outcome, however it is expected that this work will be completed within 9 months.

LDC are currently applying to Homes England for Infrastructure Funding to support the development of these two sites and any granted monies must be spent before March 31<sup>st</sup> 2021.

## 4 **Consultation**

- 4.1 No formal consultation has taken place on developing these sites by LDC. However the previous planning consent achieved on the Fire Station site and the inclusion of the Police Station site in the Neighbourhood Plan mean that local consultation has already taken place on the principles of residential development.

## 5 **Corporate plan and council policies**

- 5.1 The overall outcomes of these projects support the Cabinet's Corporate Polies to address:

- “Sustainability and Climate Change” The new Council housing will have significant sustainability features design in the fabric and procurement of low carbon energy.  
 ”Affordable Housing” – The projects highlighted in the report are to bring forward affordable rented homes that will be directly managed by the Council for local people in need.  
 “Community Wealth Building” – The selection process for construction tender ensure that companies meeting our local employment and training requirements will be delivering the new homes.

## **6 Business case and alternative option(s) considered**

6.1 Full feasibility appraisals have been undertaken prior to discussions with Sussex Police and ESFRS, and full details will be included in the subsequent report that is presented to Cabinet following tendering exercise.

Alternative options considered:

- Allow private developers to purchase the sites, which would likely involve limited or no affordable housing provision.
- Select a 3<sup>rd</sup> party developer to purchase the sites in a joint venture agreement with LDC to reduce development risk. This option would likely have either increased the overall cost of LDC delivering affordable housing or reduced the sustainability benefits that the new homes would provide to the area and the new residents.

## **7 Financial appraisal**

7.1 The reason for the recommendations is to maximise the Council’s ability to provide affordable housing within the District, partly through the full utilisation of receipts received from Council homes sold under the Right to Buy and LDC are currently applying to Homes England for Infrastructure Funding to support the development of these two sites.

7.2 Any additional capital proposals affecting either the General Fund or the Housing Revenue Account capital programme over and above the existing approved budget will need to be considered on a case by case basis as part of the business case process for any new schemes.

7.3 There may be some period of business rates liability for the Council to cover prior to demolition, but there are no other immediate direct revenue consequences arising from this report. As when any new schemes are brought forward the detailed revenue consequences will need to be considered to ensure that the scheme is affordable and that the implications on the Housing Revenue Account and General Fund are considered as part of the decision making process. Staffing and any other costs associated with the report’s recommendation are to be contained within existing department revenue budgets



## 8 Legal implications

- 8.1 Both of the sites will be the subject of investigations of title and reports on title will be prepared for both of them which will highlight any potential legal risks associated with the properties. Any such risks will need to be properly managed with the benefit of legal advice at the time.
- 8.2 The Council has the power to purchase the properties using funds from the Housing Revenue Account but any properties purchased in this way will be subject to the normal limitations of housing stock held within the HRA.
- 8.3 The Council will be required to enter into a grant agreement in respect of any grant from Homes England and the terms of this agreement will need to be subject to legal advice at the time.

## 9 Risk management implications

- 9.1 The following risks associated with these projects have been identified:
- Standard development risks  
**Mitigation: A new feasibility assessment will be carried out prior to schemes coming to Cabinet for construction approval and standard JCT contract will be used to fix the construction cost**

## 10 Equality analysis

- 10.1 An equality impact assessment has been undertaken and has not identified any equality impacts.

## 11 Environmental sustainability implications

- 11.1 The two site designs will undergo a full review of sustainability features, both for the construction and usage of future residents.

## 12 Appendices

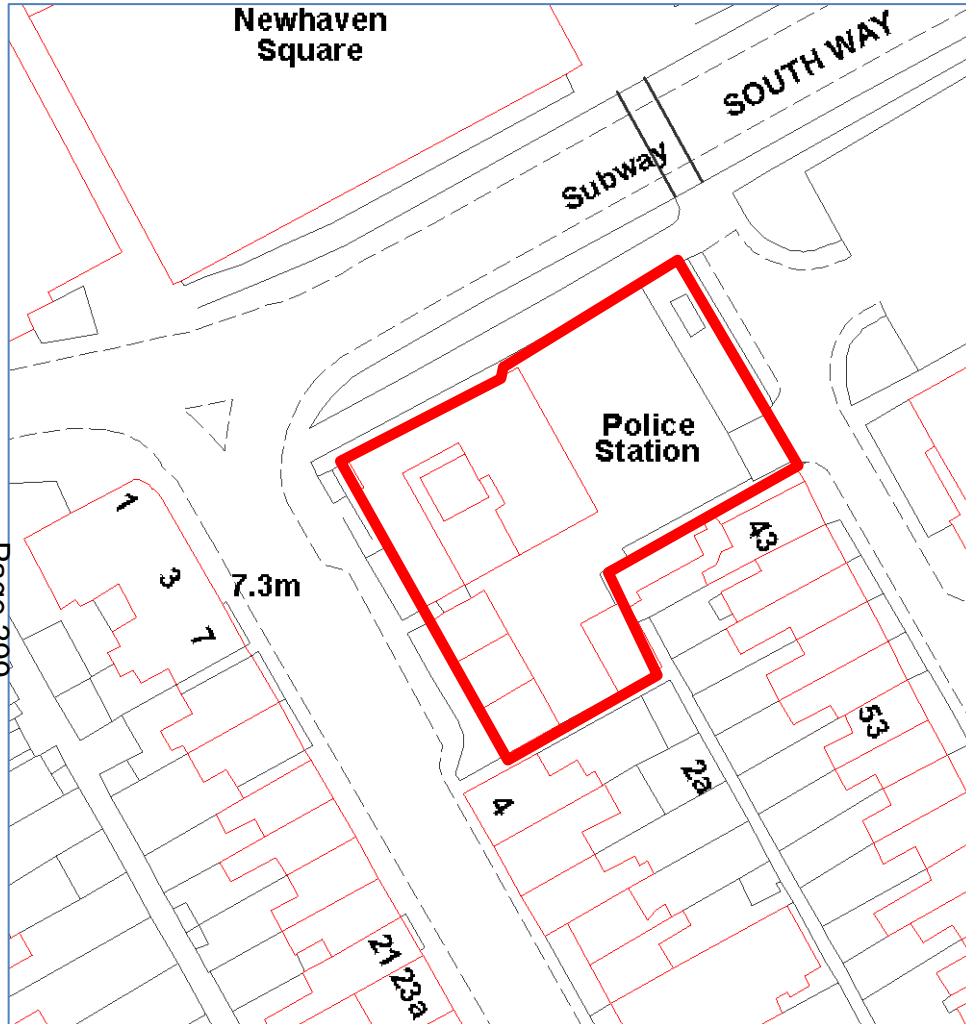
- Appendix 1 – Site plan of Former Newhaven Police Station Site
- Appendix 2 – Site plan of Former Newhaven Fire Station Site
- Appendix 3 – Details of Police Station and Fire Station Acquisition – EXEMPT

## 13 Background papers

N/A



Appendix 1

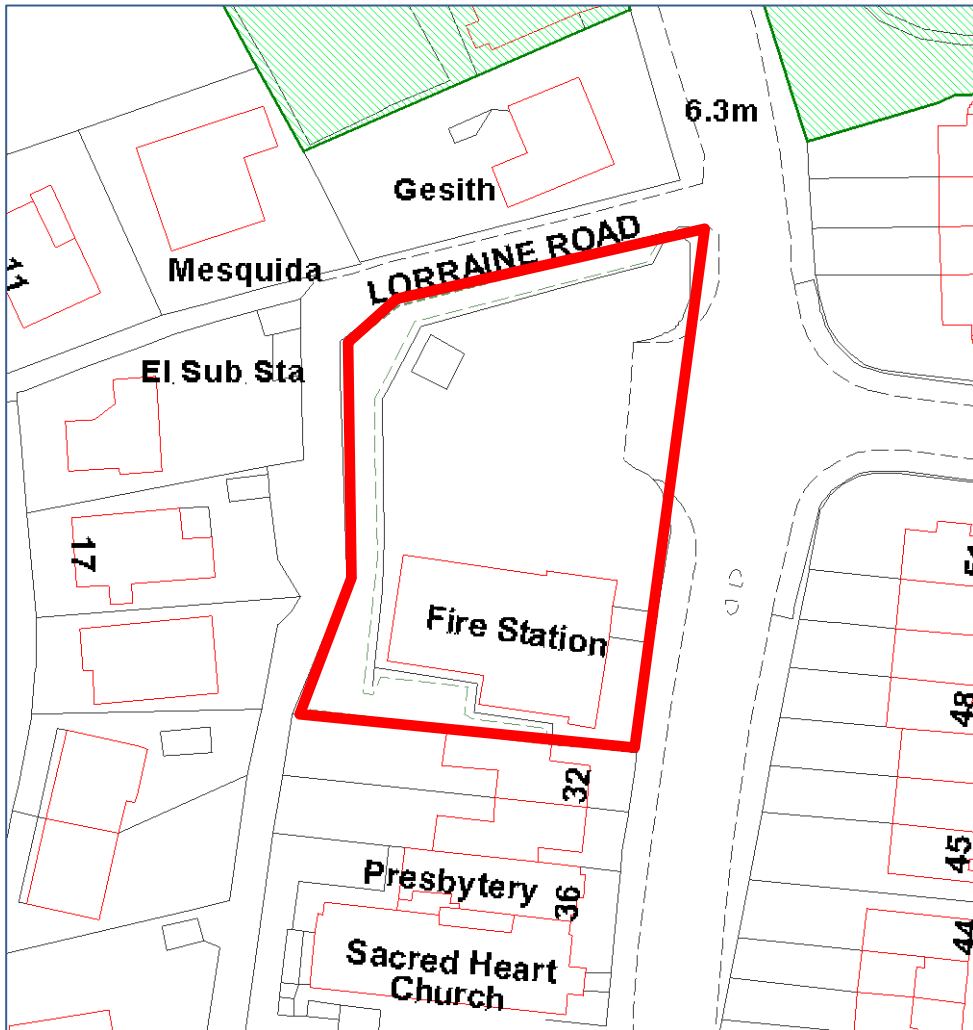


Page 299



Former Police Station, South Road, Newhaven, BN9 9QJ

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Former Fire Station, Fort Road, Newhaven, BN9 9QF

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|                                     |   |
|-------------------------------------|---|
| <b>Report to:</b>                   | <b>Cabinet</b>  |
| <b>Date:</b>                        | <b>10 February 2020</b>   |
| <b>Title:</b>                       | <b>General Fund Revenue Budget 2020/21 and Capital Programme</b>  |
| <b>Report of:</b>                   | <b>Chief Finance Officer</b>  |
| <b>Cabinet member:</b>              | <b>Councillor Zoe Nicholson, Leader of Council, Cabinet Member for Finance</b>  |
| <b>Ward(s):</b>                     | <b>All</b>  |
| <b>Purpose of report:</b>           | <b>To agree the updated General Fund budget and updated MTFs, together with the updated Capital Programme position.</b>   |
| <b>Decision type:</b>               | <b>Budget and policy framework</b>  |
| <b>Officer recommendation(s):</b>   | <b>Members are asked to recommend the following proposals to Full Council:</b> <ul style="list-style-type: none"><li><b>i) The General Fund budget for 2019/20 (Revised) and 2020/21 (original) Appendix 1 including growth and savings proposals for 2020/21 as set out in Appendix 3.</b></li><li><b>ii) An increase in the Council Tax for Lewes District Council of £5 resulting in a Band D charge for general expenses of £192.08 for 2020/21</b></li><li><b>iii) The revised General Fund capital programme 2020/21 revised as set out in Appendix 5.</b></li><li><b>iv) To note the section 151 Officer's sign off as outlined in the report.</b></li></ul> |
| <b>Reasons for recommendations:</b> | <b>The Cabinet has to recommend to Full Council the setting of a revenue budget and associated council tax for the forthcoming financial year by law.</b>   |
| <b>Contact Officer(s):</b>          | <b>Name: Homira Javadi<br/>Post title: Chief Finance Officer<br/>E-mail: Homira.Javadi@lewes-eastbourne.gov.uk</b>  |

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## 1. Background

- 1.1 The Council published its draft Medium-Term Financial Strategy (MTFS) for 2019/20 to 2023/24 in July 2019. This is a key document, which demonstrates alignment with the Council Corporate Plan, and how the Council plans to target its financial resources in line with its key priorities and stated aims and objectives.
- 1.2 The MTFS included a set of financial assumptions and forecasts up to the financial year 2023/24, based on the most up to date information available at the time.
- 1.3 This report presents the updated forecast financial position for 2020/21, taking into account the capital strategy and programme approved by Council in February 2019, budget changes identified since the publication of the MTFS and the latest intelligence regarding the 2020/21 local government funding settlement following the Comprehensive Spending Review announcement on 19th December 2019.

## 2. Key Factors

### Comprehensive Spending Review 2019

- 2.1 Local government in general and district councils in particular continue to operate within a severely challenging financial environment. There have been three Comprehensive Spending Reviews since 2010, each of which has had an impact upon local government's strategic financing:

- **Spending Review 2010:** published in October 2010, established the initial path of reductions to local government grant funding and the introduction of Council Tax Freeze grant. At the same time as the SR10 took effect, New Homes Bonus was launched for the period of the SR.
- **Spending Review 2013:** published in June 2013, continued with the reductions to local government grant funding; the rolling forward of the Council Tax Freeze grant; and the introduction of the Better Care Fund.
- **Spending Review 2015:** published in November 2015, again continued with reductions to local government grant funding; introduced reforms to New Homes Bonus; ended Council Tax Freeze grant, set council tax referendum limits at 2% per annum or £5 for District Councils (whichever was higher); and introduced the Social Care Precept at 2% per annum.

In 2019/20, additional one-off funding was provided for social care and council tax referendum limits were increased to 3%.

As a result of these changes to the local government financial system the Council no longer receives central Government funding in the form of Revenue Support Grant (RSG).

- 2.2 **The Local Government Finance Settlement** for 2018/19 announced that by 2020/21 local Councils will retain 75% of business rate revenues. However, the timetable for introducing these changes has now been pushed back to 2021/22 and the Government are yet to publish detailed proposals. For the purposes of



the Medium-Term Financial Strategy the minimum baseline has been assumed, which would be the worse case scenario. In addition, no transitional funding arrangements have been factored into the projections.

## **Economic Outlook**

On 16 December 2019, the Office for Budget Responsibility (OBR) published its restated March 2019 economic and fiscal outlook.

The economy ended 2018 growing a little less strongly than expected in October. Survey indicators of current activity have weakened materially, in part reflecting heightened uncertainty prior to the General Election related to Brexit. As a result, the OBR has revised their forecast for Gross Domestic Product (GDP) growth this year down to 1.2% – more than reversing the upward revision they made in October in response to the Government’s discretionary fiscal loosening in the Budget. They have not altered their assessment of the outlook for potential output, so the medium-term forecast is little changed: GDP growth still settles down to around 1.5% a year.

They now expect public sector net borrowing to come in at £22.8 billion (1.1% of GDP) this year, down £2.7 billion since October thanks primarily to higher income tax receipts and lower debt interest spending. By 2023/24 the improvement since that October estimate is £6.3 billion, again thanks primarily to higher income tax receipts and lower debt interest spending.

These downward pressures on borrowing are partially offset by the £2.1 billion net cost of 20 policy decisions announced since the Budget – notably the £1.7 billion of additional planned public services spending announced at the Spring Statement. This leaves the expected deficit in 2023/24 at £13.5 billion (0.5% of GDP).

Consumer Price Index (CPI) inflation was above the 2% target throughout 2018, averaging 2.5%. In the fourth quarter of 2018 it had fallen back to 2.3%. CPI inflation fell further in January 2019 to 1.8%, largely reflecting lower gas, electricity and petrol price changes. This was the first time in two years that inflation was below the 2% target. The OBR has revised down their forecast for CPI inflation since October, dipping to 1.9% in 2020, returning to the 2% target thereafter. They have made a larger downward revision to RPI inflation due to the much weaker outlook for house prices in 2019 and 2020.

2.3 On 4 September 2019 the Chancellor delivered his 2019 Spending Round. The key points that are relevant to Local Government are as follows:

- a) Confirmation that the Fair Funding Review, Business Rates Review and business rates reset has been deferred by 12 months to 2021/22.
- b) £2.9 billion increase in Core Spending power overall. Most of the additional funding is for adults’ and children’s services, but there is £54m for Homelessness.

- c) Funding to remove negative RSG has been continued for 2020/21.
- d) 75% business rates pilots will come to an end and there are no new pilots planned for 2020/21.
- e) £40m additional funding for Discretionary Housing Payments.
- f) £23m to fund a range of measures around Universal Credit – whilst this won't come to districts it will be a positive support for people in the area.
- g) Continuation of the Discover England Fund to promote inbound tourism.
- h) £241m in 2020/21 in the Towns Fund to regenerate high streets, town centres and local economies.
- i) Additional £30m for the Business, Energy, & Industrial Strategy (BEIS) to accelerate the development of decarbonisation schemes.

### **3. Provisional Finance Settlement**

- 3.1 The Provisional Finance Settlement was announced on the 20 December 2019, whilst there is additional funding from Central Government this has been prioritised for adult and children's social care.

The settlement provides no update on the progress of either the move to further business rates retention or the Review of Relative Needs and Resources (commonly called the Fair Funding Review). However, the settlement confirmed that the next business rates revaluation is planned for 2021 and from then on, the Government intends to move to a three-yearly revaluation cycle.

The headlines are as follows;

- a) No change to the New Homes Bonus threshold of 0.4%. The 2020/21 element of NHB will be paid for one year only. The legacy payments of the bonus in respect of growth in 2019/20 and previous years will continue to be paid in 2020/21. The Government will consult on the future of the housing incentive in the Spring. The Written Ministerial Statement says this will include moving to a new, more targeted approach which is aligned with other measures around planning performance and confirmed that the payments will be phased out;
- b) The Rural Services Delivery Grant will remain unchanged at £81 million in 2020/21. The Government is minded to retain the current method of distributing the grant but will consult on this;
- c) Business rates baseline will rise in line with inflation;
- d) £400m compensation for under-indexing the business rates multiplier will be distributed to all councils, The Council's share of this will be confirmed later in the process;

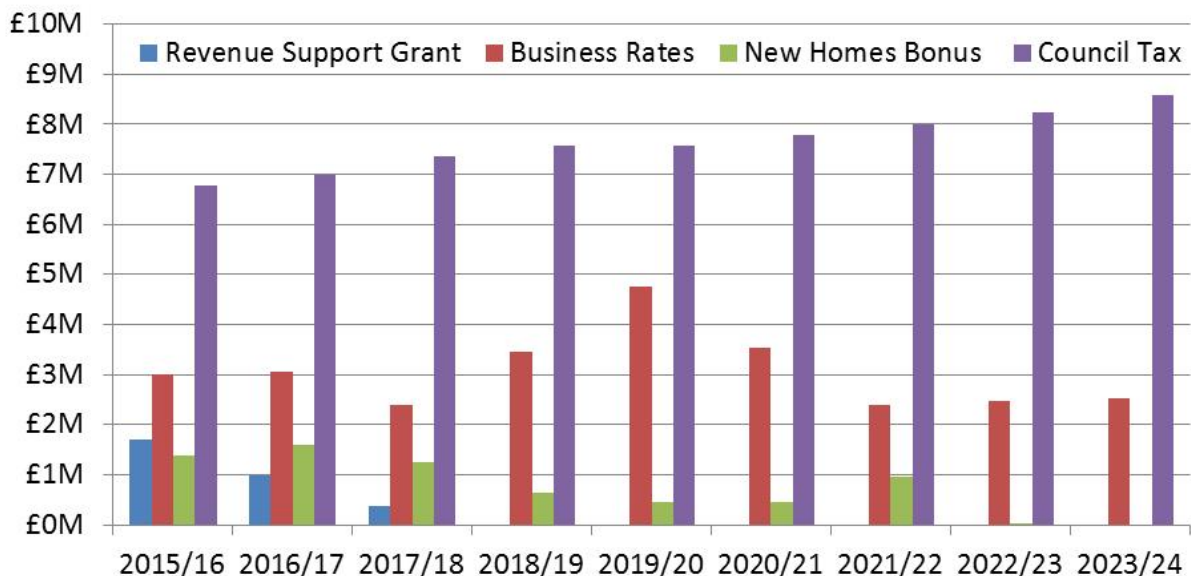
- e) Continuation of the option for shire districts with the lowest council tax levels to increase council tax by the higher of 2% or £5. The Government will continue with its policy of not setting referendum limits for parish and town councils, which they will keep under review for future years.

The impact of above funding streams in the Council's budget and MTFs are summarised and included in the table below:

Table 1: Provisional Finance Settlement and Other Funding Resources

|                          | 2019/20       | 2020/21       | 2021/22       | 2022/23       | 2023/24       |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
|                          | £m            | £m            | £m            | £m            | £m            |
| Business Rates           | 4.951         | 3.288         | 2.407         | 2.471         | 2.536         |
| Business Rates – Pool    | -             | 0.250         | -             | -             | -             |
| Business Rates - Surplus | 0.090         | -             | -             | -             | -             |
| New Homes Bonus          | 0.457         | 0.464         | 0.068         | 0.016         | -             |
| Council Tax              | 7.519         | 7.713         | 8.000         | 8.289         | 8.588         |
| Council Tax - Surplus    | 0.059         | 0.083         | -             | -             | -             |
| Other Government Grants  | 0.382         | 0.344         | 0.309         | 0.278         | 0.251         |
| <b>Total Resources</b>   | <b>13.458</b> | <b>12.142</b> | <b>10.784</b> | <b>11.054</b> | <b>11.375</b> |

Chart 1: Funding Resources



Note the above includes annual surpluses and deficits relating to business rates and council tax. As previously mentioned, forecasts for business rates from 2021/22 onwards are modelled on a worse case scenario with no transitional funding arrangements.

#### 4. Council Tax

4.1 The aggregate Band D council requirement comprises two elements:

- Special Expenses in respect of the cost of managing and maintaining parks and open spaces. The cost of each site is charged to the council taxpayers of that part of the district area in which it is located.
- General Expenses, all other costs.

4.2 The Council has made a commitment to passing on changes in the cost of the upkeep of open spaces. Special Expenses amounts are shown in the table below:

Table 2: Special Expenses

| Town/Parish Area              | Special Expenses 2020/21<br>£ | Band D 2020/21<br>£ | Special Expenses 2019/20<br>£ | Band D 2019/20<br>£ |
|-------------------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| Lewes                         | 344,430                       | 56.12               | 334,370                       | 54.31               |
| Newhaven                      | 134,940                       | 36.53               | 155,620                       | 43.60               |
| Telscombe                     | 57,720                        | 22.78               | 53,400                        | 20.61               |
| Seaford                       | 58,590                        | 6.17                | 54,760                        | 5.64                |
| Peacehaven                    | 41,100                        | 8.56                | 37,930                        | 7.85                |
| Chailey                       | 1,120                         | 0.86                | 1,070                         | 0.82                |
| Ringmer                       | 4,410                         | 2.35                | 4,180                         | 2.19                |
| <b>TOTAL SPECIAL EXPENSES</b> | <b>642,310</b>                | <b>17.45</b>        | <b>641,330</b>                | <b>17.45</b>        |

4.3 For 2020/21 three sites have been devolved:

- Holly Croft play area, Lewes
- Valley Road Estate play area, Newhaven
- Eastside recreation area, Newhaven

Applying a £5 increase to the General Expenses element of the Council Tax gives a Band D tax amount of £192.08 as shown in the table below:

Table 3: Council Tax

|                  | 2019/20<br>£  | 2020/21<br>£  | Change<br>£ | Change<br>% |
|------------------|---------------|---------------|-------------|-------------|
| Band D           |               |               |             |             |
| Special Expenses | 17.45         | 17.45         | 0.00        | 0.0%        |
| General Expenses | 187.08        | 192.08        | 5.00        | 2.7%        |
| <b>Total</b>     | <b>204.53</b> | <b>209.53</b> | <b>5.00</b> | <b>2.4%</b> |

- 4.4 The Council has to give an indication of likely future council tax rises, it is still expected that council tax will rise in line by inflation 2% to 3% per annum for each of the next three years. This is within the Government's target for inflation (1-3%) and the also current ceiling on rises that would otherwise require a referendum.

Within this context, for 2020/21, the Council will raise £7.7M from its share of the council tax. This is determined by multiplying the council tax base of Band D equivalent dwellings by the Band d tax rate of £209.53 per annum.

## 5. 2018/19 Financial Outturn

- 5.1 The Council achieved a balanced revenue outturn position for 2018/19 after the flexible use of capital receipts, benefiting from reallocation of £1.1M grant funding and planned used of reserve £1.2M. However, this position masked a number of significant pressures – notably are the significant cost of temporary and emergency accommodation and the impact of economic slowdown on commercial income and business rate.

Table 4: 2018/19 Outturn Variances

| Analysis of Major Variances   | £000      |
|---|-----------|
| Service Priorities/Contingency -<br>(to mitigate against loss of commercial income & increase in demand for services – including EA/TA) | (486)     |
| Profiling of savings to meet additional demand for services   | 188       |
| Waste and Recycling – Loss of recycling credits and fuel costs  | 132       |
| Information Technology – Additional IT Contract cost  | 95        |
| Planning Policy – Play Strategy, National Park Habitat regs   | 72        |
| Newhaven Fort – Remedial works  | 52        |
|   | <b>53</b> |

## 6. 2019/20 Revised Budget

- 6.1 As part of the budget setting process and subject to approval, 2019/20 estimates will be adjusted to address structural imbalance in some operational budgets (largely relating to non-achievement of income and increased demand for housing need services). Healthy income from the chargeable garden waste service contributed to a more robust revenue budget position. However, some areas of the Council's revenue budget remain under pressure and will require careful monitoring.
- 6.2 Like most authorities, the Council is faced with a requirement to live within its means and improve and transform services whilst still operating in an environment of Government resource constraints and uncertainty about future funding prospects.

Table 5: 2019/20 Major Movements

| <b>Analysis of Major Movements</b>  | <b>£000</b>  |
|---|--------------|
| Estates/Corporate Landlord - Additional running costs / reduced rental income | 567          |
| Planning – increased staffing costs   | 205          |
| Specialist Services – increased Housing Benefit costs                         | 506          |
| Homes First – additional housing costs  | 192          |
| Reallocation of additional funding  | (240)        |
| Tourism & Enterprise – net additional operation costs                         | 174          |
| Increased service provision to HRA re delivery of 30-year Business Plan       | (300)        |
| Reduced investment interest   | 150          |
| Other service wide changes  | (105)        |
| <b>Initial Budget Gap</b>   | <b>1,149</b> |
| Use of Contingency  | (1,300)      |
| Additional Efficiency Savings   | (114)        |
| Corporate Landlord – Additional Income  | (98)         |
| Contribution to Reserves  | 664          |
| <b>Revised Budget Gap</b>   | <b>301</b>   |

- 6.3 The table shows an initial budget gap of £1.149M with key variances relating to additional corporate landlord costs and increased Housing Benefit costs. However, these have been managed through the partial use of the contingency budget which was established to cover off the impact of an economic slowdown and any potential increases in demand for services, such as housing.

The forecast variances were identified as part of the Qtr2 monitoring process and further details are contained in Appendix 2.

## 7. Medium Term Financial Position

- 7.1 The MTFS sets out the Council's four-year spending and funding plans, and is the financial framework for the development of the detailed 2020/21 budget.

The latest MTFS, as approved by Cabinet on 01 July 2019, forecast budget gaps in each of the next four financial years as follows:

Table 6: Previous MTFS Forecasts

|                              | <b>2020/21<br/>£000</b> | <b>2021/22<br/>£000</b> | <b>2022/23<br/>£000</b> | <b>2023/24<br/>£000</b> |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Budget Forecast              | 12,377                  | 11,425                  | 11,232                  | 11,203                  |
| External Funding             | (10,857)                | (10,689)                | (10,650)                | (10,635)                |
| <b>Annual Budget Gap</b>     | <b>1,520</b>            | <b>736</b>              | <b>582</b>              | <b>568</b>              |
| <b>Cumulative Budget Gap</b> | <b>1,520</b>            | <b>2,256</b>            | <b>2,838</b>            | <b>3,406</b>            |

7.2 The MTFS has been updated with the latest forecast position. This incorporates the on-going impact of any pressures and mitigations identified in the first quarter's budget monitoring from 2019/20 and newly identified budget pressures. The forecast budget gap for 2020/21 has increased to £4.173M, largely due to the impact of continuing housing demand, economic uncertainty and reduction on some key income streams.

A summary of the revised position, including the updated savings requirement, is shown in following sections.

Table 7: Summary of Revised MTFS Position

|   | 2019/20<br>£000 | 2020/21<br>£000 | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted Base Budget                        | 14,607          | 14,607          | 13,169          | 14,267          | 15,075          |
| Additional budget pressure                  |                 | 1,708           | 1,098           | 808             | 818             |
| <b>Initial Budget Forecast</b>              | <b>14,607</b>   | <b>16,315</b>   | <b>14,267</b>   | <b>15,075</b>   | <b>15,893</b>   |
| External Funding                            | (13,458)        | (12,142)        | (10,784)        | (11,054)        | (11,376)        |
| <b>Initial Budget Gap</b>                   | <b>1,149</b>    | <b>4,173</b>    | <b>3,483</b>    | <b>4,021</b>    | <b>4,517</b>    |
| Use of Contingency – Housing need           | (1,300)         | (1,600)         |                 |                 |                 |
| Additional Efficiency Savings               | (114)           | (1,005)         |                 |                 |                 |
| Additional Income – Corp Landlord           | (98)            | (300)           |                 |                 |                 |
| Insurance Renewal Savings                   |                 | (100)           |                 |                 |                 |
| Actuarial Contribution                      |                 | (100)           | (100)           | (100)           | (100)           |
| Growth – non-recurring                      |                 | 201             |                 |                 |                 |
| Balance to / (from) Planned use of Reserves | 664             | (1,569)         |                 |                 |                 |
| <b>Cumulative Budget Gap</b>                | <b>301</b>      | <b>(300)</b>    | <b>3,383</b>    | <b>3,921</b>    | <b>4,417</b>    |

The forecast budget gaps from 2021/22 onwards are worse case scenarios taking on board the minimum baseline being used for business rates income and assumptions that the on-going impact of additional housing costs will continue.

To mitigate against these gaps, the Council will be reviewing its asset base to optimise asset use, making them work better for our communities, or to generate additional capital receipts. In addition, it will look to become more commercial and look for further rationalisation opportunities without reducing service provision.

Further papers will be developed and submitted to Cabinet in due course.

## 8. Financial Planning Cycle

8.1 A typical financial planning cycle for a local authority is a continual process of review and challenge of future years' budget assumptions over a medium-term horizon. This is based on performance against the current year's budget, incorporating the costs and benefits of business change and responding to political and economic factors within the external environment.

Following the publication of this report, work will continue to further validate and monitor delivery against all of the key budget assumptions for 2020/21 and beyond.

Since the publication of the MTFS in July, the Council has reviewed its 2020/21 budget following consideration of the following areas:

- Priority objectives and service plan delivery;
- Planned business change and opportunities for increased value for money;
- Current levels of service demand and performance against budget; and
- The statutory environment that each directorate operates in.

8.2 The key financial assumptions within the MTFS have been refreshed to include the impact of:

- The capital strategy and rolling capital programme approved by Council in February 2019;
- Demographic and service demand pressures, which have been reviewed based on the latest national and local trends and management information available.
- Expenditure and income inflation indices, which have been reviewed using the latest economic data and contract information.
- An assessment of changes to government grants and funding;
- The Council's operational and financial performance in 2018/19 and 2019/20 with due regard given to the on-going impacts in 2020/21
- Validation of MTFS savings proposals.

Full details of the updated financial assumptions are contained within Appendix 4.

## **9. Capital Programme**

9.1 As part of the budget setting process, the Council is required to agree a programme of capital expenditure for the coming four years. The capital programme plays an important part in the delivery of the Council's Corporate Plan and Medium-Term Financial Strategy (MTFS), which in turn supports wider service delivery.

Capital expenditure within the Council is split into two main components, the General Fund Capital Programme and the Housing Revenue Account (HRA) Capital Programme.

9.2 Capital programme recognises the spending limitations within the Finance Settlement for 2020/21 on the resources available. Therefore, the programme prioritises delivery to incorporate those projects that are either a statutory requirement or are essential to delivery of the Council's Corporate Plan. The programme includes schemes where the Council has been successful in securing funding from external grants and contributions, and schemes where the Council is pro-actively working with external bodies to secure funding. For these schemes to go ahead it is important that the funding is secured.

The programme has been compiled taking account of the following main principles, to:



- maintain an affordable four-year rolling capital programme;
- ensure capital resources are aligned with the Council's Corporate Plan,
- maximise available resources by actively seeking external funding and disposal of surplus assets; and
- not to anticipate receipts from disposals until they are realised.

The current economic climate also places further emphasis on ensuring that the levels of capital receipts are maximised through improved asset management and through the sale of surplus and underused assets. The Council recognises disposal of its surplus assets key to its overall financing of capital investment and at the same time reduced the demand on the revenue costs of capital.

- 9.3 Capital Funding Sources - The capital investment proposals contained within this MTFS rely upon an overall funding envelope made up of several sources, including borrowing, capital receipts, capital grants and revenue contributions.

Borrowing - The local Government Act 2003 gave local authorities the ability to borrow for capital expenditure provided that such borrowing was affordable, prudent and sustainable over the medium term. The Council must complete a range of calculations (Prudential Indicators) as part of its annual budget setting process to evidence this. These make sure that the cost of paying for interest charges and repayment of principal by a minimum revenue payment (MRP) each year is considered when drafting the Budget and Medium-Term Financial Strategy. Over the course of this MTFS, prudential borrowing of £37.2M has been assumed for the General Fund Capital Programme.

The Council's external authorised borrowing limit for 2020/21 is set at £132m with a General Fund limit of £75.3m and no external borrowing as at 31 March 2020. The 2020/21 borrowing is estimated as £27.1m. The HRA has no borrowing limit/cap as it takes its income from rents and services charges collected from tenants, and spends this money exclusively on building and maintaining housing. Councils are able to borrow money within their HRAs in order to build more homes to provide more income, or even to refurbish or regenerate existing homes. The 2020/21 HRA borrowing is estimated as £58.3m.

Capital Receipts - These are generated when a non-current asset is sold, and the receipt is more than £10K. Capital receipts can only be used to fund capital expenditure or repay borrowing. In determining the overall affordability of its capital programme, the Council is taking a prudent approach of not including anticipated capital receipts as a source of funding in the programme until such a time when the income is received and realised.

- 9.4 Capital Grant - The Council receives additional grant funding for a variety of purposes and from a range of sources. These include the Ministry of Housing, Communities and Local Government (MHCLG) funding for Disabled Facility Grants and Environment Agency funding for Coastal Management projects.

- 9.5 Revenue Contributions - Although the Council can use its General Fund to pay for capital expenditure, as it has done in the past, the current financial constraints that are on the Revenue Budget means that this option is limited in the medium

term.

- 9.6 General Fund Capital Reserves - Capital Short Life Asset Reserve – It is anticipated that this reserve will continue to fund assets with a life of less than 10 years, primarily being IT equipment and vehicles purchases.
- 9.7 HRA Right to Buy (RTB) Capital Receipts – The Right to Buy scheme helps eligible council tenants to buy their home with a discount of up to £84,200 (2020/21). The Council receives the sale proceeds of the Council House.
- 9.8 HRA Other Capital Receipts - These are generated when a fixed asset is sold, and the receipt is more than £10k. Capital receipts can only be used to fund capital expenditure.
- 9.9 HRA Contributions – Funding for capital expenditure on housing can be met from within the HRA. The future funding requirements will be informed by the Council's newly revised 30-year HRA business plan.
- 9.10 HRA Capital Reserves – Although the HRA subsidy system has ceased to exist, transitional arrangements allow the Council to continue to place the Major Repairs Allowance, as detailed in the settlement determination, in the Major Repairs Reserve. This is exclusively available for use on HRA capital expenditure.

## **10. Financial Appraisal**

- 10.1 The S151 Officer will submit her Section 25 report on the robustness of estimates and adequacy of reserves in February 2019.

## **11. Legal implications**

- 11.1 Section 151 of the Local Government Act 1972 requires that every local authority make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.
- 11.2 Sections 32 and 43 of the Local Government Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.
- 11.3 The Chief Finance Officer, appointed under section 151 mentioned above, has a duty to report on the robustness of estimates and adequacy of reserves under section 25 of the Local Government Act 2003.

## **12. Risk Management implications.**

- 12.1 Appendix 6 provides an analysis of risks associated with the MTFs and mitigating actions

### **13. Equality analysis**

- 13.1 The equality implications of any individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

### **14. Conclusion**

- 14.1 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.

### **15. Appendices**

- Appendix 1 - General Fund Budget Summary
- Appendix 2 – Qtr2 Monitoring.
- Appendix 3 – Savings and Growth Proposals
- Appendix 4 – MTFS Assumptions
- Appendix 5 – Capital Programme
- Appendix 6 – Risks

### **16. Background papers**

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

- Provisional Local Government Finance Settlement 2020/21

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## FINANCIAL MONITORING POSITION AS AT 30 SEPTEMBER 2019

| 2019/20   | Full Year Budget | Profiled Budget | Actual to 30th Sept 2019 | Variance to date |  | Forecast Full Year Variances | Indicative Revised Budget |  |
|---|------------------|-----------------|--------------------------|------------------|--|------------------------------|---------------------------|--|
|   | £'000            | £'000           | £'000                    | £'000            |  | £'000                        | £'000                     |  |
| <b>SUMMARY</b>  |                  |                 |                          |                  |  |                              |                           |  |
| Corporate Services                                    | 5,451            | 2,719           | 2,866                    | 147              |  | 0                            | 5,451                     |  |
| Contingency Provision                                 | 1,600            | 800             | 0                        | (800)            |  | 0                            | 1,600                     |  |
| Service Delivery                                      | 8,558            | 4,183           | 4,672                    | 489              |  | 178                          | 8,736                     |  |
| Regeneration, Planning & Assets                       | 431              | 365             | 852                      | 487              |  | 618                          | 1,049                     |  |
| Tourism & Enterprise Services                         | 439              | 207             | 323                      | 116              |  | 174                          | 613                       |  |
| Housing Revenue Account                               | (3,235)          | 0               | 0                        | 0                |  | (300)                        | (3,535)                   |  |
| <b>Total Service Expenditure</b>                      | <b>13,244</b>    | <b>8,274</b>    | <b>8,712</b>             | <b>439</b>       |  | <b>670</b>                   | <b>13,914</b>             |  |
| Efficiency Savings                                    | (750)            | (375)           | (180)                    | 195              |  | 30                           | (720)                     |  |
| Capital Financing and Interest                        | 0                | (90)            | (20)                     | 70               |  | 150                          | 150                       |  |
| Contributions to/(from) Reserves                      | 964              | 450             | (150)                    | 0                |  | 299                          | 1,263                     |  |
| <b>Net Expenditure</b>                                | <b>13,458</b>    | <b>8,259</b>    | <b>8,362</b>             | <b>704</b>       |  | <b>1,149</b>                 | <b>14,607</b>             |  |
| <b>Forecast Increase on Original Full Year Budget</b> |                  |                 |                          |                  |  |                              | <b>1,149</b>              |  |

The above table shows a budget shortfall of £704K at the end of September 2019 which is forecast to increase to £1.15M by the year end. Details of the latter are contained within the body of the report.

FORECAST 2020/21 BUDGET

| 2020/21                          | Indicative Revised Budget from 2019/20 | Pay & Contract Inflation (to be allocated) | Capital Financing | DFG Funding | Recurring Savings & Growth | Forecast 2020/21 Budget |
|----------------------------------|--|--|-------------------|-------------|----------------------------|-------------------------|
| SUMMARY                          | £'000                                  | £'000                                      | £'000             | £'000       | £'000                      | £'000                   |
| Corporate Services               | 5,451                                  | 350  | 0                 | 400         | 16                         | 6,217                   |
| Contingency Provision            | 1,600                                  | 0  | 0                 | 0           | 0                          | 1,600                   |
| Service Delivery                 | 8,736                                  | 0  | 0                 | 0           | 250                        | 8,986                   |
| Regeneration, Planning & Assets  | 1,049                                  | 0  | 0                 | 0           | 141                        | 1,190                   |
| Tourism & Enterprise Services    | 613                                    | 0  | 0                 | 0           | 51                         | 664                     |
| Housing Revenue Account          | (3,535)                                | 0  | 0                 | 0           | 0                          | (3,535)                 |
| <b>Total Service Expenditure</b> | <b>13,914</b>                          | <b>350</b>                                 | <b>0</b>          | <b>400</b>  | <b>458</b>                 | <b>15,122</b>           |
| Efficiency Savings               | (720)                                  | 0  | 0                 | 0           | 0                          | (720)                   |
| Capital Financing and Interest   | 150                                    | 0  | 500               | 0           | 0                          | 650                     |
| Contributions to/(from) Reserves | 1,263                                  | 0  | 0                 | 0           | 0                          | 1,263                   |
| <b>Net Expenditure</b>           | <b>14,607</b>                          | <b>350</b>                                 | <b>500</b>        | <b>400</b>  | <b>458</b>                 | <b>16,315</b>           |

|  |                 |
|--|-----------------|
| <b>External Funding</b>                | <b>(12,142)</b> |
| <b>Initial Budget Gap</b>              | <b>4,173</b>    |
| Use of Contingency                     | (1,600)         |
| Additional Efficiency Savings:         |                 |
| Reallocation of resources to HRA       | (500)           |
| Waste - vehicle and staff reduction    | (200)           |
| ICT - savings                          | (155)           |
| Vacancy savings                        | (150)           |
| Additional Income - Corporate Landlord | (300)           |
| Insurance Renewal Savings              | (100)           |
| Reduced Pension Contributions          | (100)           |
| Growth - non-recurring                 | 201             |
| Balance to / (from) Reserves           | (1,569)         |
|  | <b>(300)</b>    |

### General Fund Qtr2 Monitoring

#### 1. General Fund

1.1. General Fund performance of the quarter is shown in the table below:

| 2019/20   | Full Year Budget | Profiled Budget | Actual to 30th Sept 2019 | Variance to date | Forecast Full Year Variances | Indicative Revised Budget |
|---|------------------|-----------------|--------------------------|------------------|------------------------------|---------------------------|
| SUMMARY   | £'000            | £'000           | £'000                    | £'000            | £'000                        | £'000                     |
| Corporate Services                                    | 5,451            | 2,719           | 2,866                    | 147              | (0)                          | 5,451                     |
| Contingency Provision                                 | 1,600            | 800             | 0                        | (800)            | 0                            | 1,600                     |
| Service Delivery                                      | 8,558            | 4,183           | 4,672                    | 489              | 478                          | 9,036                     |
| Regeneration, Planning & Assets                       | 431              | 365             | 852                      | 487              | 618                          | 1,049                     |
| Tourism & Enterprise Services                         | 439              | 207             | 323                      | 116              | 174                          | 613                       |
| Housing Revenue Account                               | (3,235)          | 0               | 0                        | 0                | (300)                        | (3,535)                   |
| <b>Total Service Expenditure</b>                      | <b>13,244</b>    | <b>8,274</b>    | <b>8,712</b>             | <b>439</b>       | <b>969</b>                   | <b>14,213</b>             |
| Efficiency Savings                                    | (750)            | (375)           | (180)                    | 195              | 30                           | (720)                     |
| Capital Financing and Interest                        | 0                | (90)            | (20)                     | 70               | 150                          | 150                       |
| Contributions to/(from) Reserves                      | 964              | 450             | (150)                    | 0                | (0)                          | 964                       |
| <b>Net Expenditure</b>                                | <b>13,458</b>    | <b>8,259</b>    | <b>8,362</b>             | <b>704</b>       | <b>1,149</b>                 | <b>14,607</b>             |
| <b>Forecast Increase on Original Full Year Budget</b> |                  |                 |                          |                  |                              | <b>1,149</b>              |

1.2. The above table shows that the variance at the end of September was £0.704M, which is an increase of £0.651M from the £53K reported at Qtr1.

1.3. The variance is forecast to increase to £1.149M by year end. This takes into account the anticipated additional impact of the economic slowdown and the significant increase in demand for housing and housing related costs.

1.4. This is being managed by the use of the contingency budget (£1.6M) which was established to cover such circumstances, and will therefore ensure that the overall budget position remains balanced.

1.5. The reasons for the major variances are set out below:

- **£478K Service Delivery**

The updated mid-year estimate for Housing Benefit Subsidy has resulted in an additional cost increase of £506K which is now in line with the outturn position for 2018/19.

There are additional housing costs of £192K of which £100K relates to increase in Private Sector Leasing payments to landlords and £79K increased shared service staffing costs.

Waste and Recycling costs have also increased by £68K as a result of increased fuel costs following the changeover from electric vehicles to HGV.

Partially offsetting these cost increases is a reallocation of additional funding of £240K.

- **£618K Regeneration, Planning & Assets**

The most significant variance relates to the Corporate Landlord budget, which has seen reductions in investment property income of £214K, in addition to increased operating costs of £353K across the estate for utilities, repair and maintenance and professional fees.

Planning costs are also anticipated to increase by £205K as a result of additional shared service staffing costs.

These increases have partially been offset by a saving of £152K in respect of the Newhaven Enterprise Zone which is now budgeted to be funded from reserves.

- **£174K Tourism & Enterprise**

£114K of this variance relates to the Lewes Tourism service which now more accurately reflects the employee costs associated with this service, in addition to the cost of events and associated consultancy work.

This is offset by efficiency savings achieved elsewhere within the budget.

A further £60K increased cost relates to additional repairs at Newhaven Fort.

- **(£300K) Housing Revenue Account**

There is an increased service provision to HRA for additional services and resourcing requirements to meet the delivery of the Business Plan.

- **£150K Capital Financing an Interest**

Investment interest forecasts have been revised reflecting the latest interest rate forecasts which has resulting in a reduction in income.

## 2. Housing Revenue Account

2.1. The position at the end of September shows a variance in expenditure of £383K.



|                              | <b>Current Budget</b> | <b>Profiled Budget</b> | <b>Actual to 30 Sept 2019</b> | <b>Variance to date</b> |
|------------------------------|-----------------------|------------------------|-------------------------------|-------------------------|
|                              | <b>£'000</b>          | <b>£'000</b>           | <b>£'000</b>                  | <b>£'000</b>            |
| <b>HRA</b>                   |                       |                        |                               | -                       |
| Income                       | (16,021)              | (8,010)                | (8,010)                       |                         |
| Expenditure                  | 14,183                | 6,418                  | 6,801                         | 383                     |
| Capital Financing & Interest | 2,170                 | 910                    | 910                           | -                       |
| <b>Total HRA</b>             | <b>(29)</b>           | <b>(682)</b>           | <b>(299)</b>                  | <b>383</b>              |

2.2. The repairs figures are still based on estimates provided by Mears as the issue associated with invoicing is still to be resolved.

### 3. Capital Programme

3.1. The capital programme for 2019/20 totals £55.4M with £1.229M still awaiting approval for Community Infrastructure (£1.2M) and Parks and Pavilions remedial works (£29K). The programme would then total £56.7M.

3.2. Current spend totals £9.131M, leaving a balance of £47.7M still to spend in the last half of the year.

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## SUMMARY OF SAVINGS AND GROWTH

|   | 2020/21        | 2021/22        | 2022/23        | 2023/24        |
|---|----------------|----------------|----------------|----------------|
|   | £'000          | £'000          | £'000          | £'000          |
| <b>SAVINGS AND INCOME PROPOSALS</b>         |                |                |                |                |
| Corporate Services                          | (91)           | (91)           | (91)           | (91)           |
| Service Delivery                            | (865)          | (865)          | (865)          | (865)          |
| Regeneration and Planning                   | (237)          | (237)          | (237)          | (237)          |
| <b>TOTAL SAVINGS AND INCOME PROPOSALS</b>   | <b>(1,193)</b> | <b>(1,193)</b> | <b>(1,193)</b> | <b>(1,193)</b> |
| <b>GROWTH PROPOSALS</b>                     |                |                |                |                |
| Corporate Services                          | 107            | 107            | 107            | 107            |
| Service Delivery                            | 1,115          | 1,095          | 1,095          | 1,095          |
| Regeneration and Planning                   | 378            | 378            | 378            | 378            |
| Tourism and Enterprise                      | 51             | 51             | 51             | 51             |
| <b>TOTAL GROWTH PROPOSALS</b>               | <b>1,650</b>   | <b>1,630</b>   | <b>1,630</b>   | <b>1,630</b>   |
| <b>NON RECURRING GROWTH AND SAVINGS</b>     | <b>458</b>     | <b>438</b>     | <b>438</b>     | <b>438</b>     |
| <b>NON-RECURRING GROWTH PROPOSALS</b>       |                |                |                |                |
| Corporate Services                          | 4              | 0              | 0              | 0              |
| Service Delivery                            | 130            | 0              | 0              | 0              |
| Regeneration and Planning                   | 62             | 0              | 0              | 0              |
| Tourism and Enterprise                      | 5              | 0              | 0              | 0              |
| <b>TOTAL NON-RECURRING GROWTH PROPOSALS</b> | <b>201</b>     | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>TOTAL BUDGET MOVEMENT</b>                | <b>658</b>     | <b>438</b>     | <b>438</b>     | <b>438</b>     |

## Key Savings and Growth Proposals

|   | 2020/21 |
|---|---------|
|   | £000's  |
| Disposal costs of recycling, associated with recycling credits  | (405)   |
| Increased housing benefit overpayment income                    | (308)   |
| Reduced Leisure Contract fee                                    | (105)   |
| Additional Corporate Landlord costs - repairs/business rates    | 285     |
| Loss of recycling credits                                       | 281     |
| Increased provision for bad debts                               | 100     |
| Increased spend on Housing Needs & Standards, Neighbourhood Hsg | 243     |
| Planning Policy - Emergence of Local Plan                       | 75      |

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## Appendix 4

### Updated Financial Assumptions within the MTFS

The key financial assumptions included within the MTFS are set out below:

a) Pay assumptions:

General pay inflation - assumed at 2.5% from 2020/21 onwards.

Pension contributions - in line with other employers in the Local Government Pensions Scheme (LGPS) the Council makes an annual contribution payment to the Pension Fund to contribute towards the recovery of the deficit on the Fund. This contribution payment is set every three years as part of the triennial valuation of the Fund. Following discussions with the Fund's actuary the MTFS has been updated on the assumption that the contribution payment will reduce by 2% over four years. The employer's contribution rate does not affect individual employee's contributions or pension benefits.

b) Other pay considerations

The estimated cost of pay increments has been built into the MTFS.

c) Inflation Assumptions

Inflation has been calculated for premises and transport related costs including utilities, business rates and fuel based on latest market intelligence and CPI forecasts from Central Government.

d) Flexible Use of Capital Receipts

The Council has agreed a formal efficiency plan (Joint Transformation Programme). This enables the authority consider flexible use of capital receipts to finance qualifying expenditure in 2019/20. The use of these resources is 'one-off' and therefore does not form part of the Council's on-going base budget.

The MTFS has been updated to reflect the flexible use of capital receipts of £400K in 2019/20 but currently assumes no further application in 2020/21. Any new transformation projects that require the use of flexible capital receipts require full Council approval, and as such, an update will be provided as part of the final 2020/21 budget papers.

e) Fees and charges

The Council provides a wide range of discretionary services. It is expected that where possible a market driven pricing to be applied to support cost recovery. The MTFS assumes a 2% across the board increase in fees and charges for its discretionary services. This increase has not been applied to the following income budgets:

- Car parking charges
- Planning fees

Fees and charges assumptions will be fully reviewed in line with anticipated operational delivery and updated for the draft budget, which will include a full refresh of the Council's fees and charges schedule.

## f) Funding

At the time of writing this report, it was anticipated that the final local government finance settlement for 2020/21 will be announced in January but currently no date has been provided. The provisional settlement was announced on 20 December 2019 which had inevitably been delayed due to the General Election.

The 2019/20 settlement was the final year of a four year settlement. It had been expected that a new 3 year Comprehensive Spending Review would take place this autumn, however due to continuing political and financial uncertainty surrounding Brexit, this has been postponed. Instead, a single year spending review was announced on 4th September 2019.

The government has announced an increase to current and capital spending of £13.4bn in 2020/21, compared to the OBR's forecast at Spring Statement 2019. Resource Departmental Expenditure Limits (DEL) (excluding depreciation) across government departments will increase from £330.8bn to £352.3bn, representing growth of 4.1%.

Most of the additional funding announced has been allocated to the following priorities:

Health and social care – the government reaffirmed the existing five-year settlement for the NHS, with an additional £33.9bn more per year by 2023/24, compared to 2018/19 budgets, with a real terms 3.1% increase in Resources DEL in 2020/21. There will also be an additional £1bn for adult and children's social care and the government will be consulting on a 2% adult social care precept to enable councils to access a further £0.5bn.

Education and skills - the schools' budget will rise by £2.6bn in 2020/21, which will include per pupil funding of £3,750 at primary and £5,000 at secondary schools. The additional funding is inclusive of £700m more funding in 2020/21 to support children and young people with special educational needs. £400m of additional funding for Further Education has also been announced.

Tackling crime – an extra £750m for policing to pay towards the government's commitment to recruit an additional 20,000 officers by 2023, which forms part of a 6.3% real terms increase in Home Office funding;

Brexit - the Spending Round confirms £2bn of core funding provided to departments for Brexit in 2019/20 will be continued into 2020/21. This money will be used to help pay for the costs of establishing a new relationship with the EU. Brexit preparation grants announced in January 2019 are to be increased to £50,000 per authority.

Local government core spending power is set to increase by £2.9bn, from £46.2bn in 2019/20 to £49.1bn in 2020/21, a real terms increase of 4.3% and cash increase of 6.3%. This compares to a cash increase of £1.7bn between 2015/16 and 2019/20.

Business rates baseline funding will increase in line with CPI which is consistent with assumptions made in the current MTFS.

The Government has subsequently clarified that other than in areas with devolution deals existing business rates pilots (including the Stoke on Trent and Staffordshire pilot) will end in 2020/21.

A technical consultation on the spending review is expected shortly. To date there has been no announcement of the potential council tax referendum limit for 2020/21. However, the increase in Core Spending Power implies a limit of between 2.5% and 3.0%.

The following sections set out the specific funding assumptions that have been applied in the MTFS in respect of grant funding, New Homes Bonus, Council Tax and Business Rates.

g) Grant funding

The Council no longer receives any Revenue Support Grant.

The existing MTFS includes a forecast reduction in housing benefit administration grant of £1.3M in each year of the MTFS, reflecting reduced caseloads following the introduction of universal credit. Grant funding for all other services has been assumed to remain at 2019/20 levels, except where there have been specific announcements.

The one year Comprehensive Spending Review for 2020/21 announced further funding of £54m in 2020/21 to help reduce homelessness and rough sleeping, this is in addition to the funding already provided in 2019/20. The allocation for the Council will not be determined until the time of the Final Local Government Finance Settlement – due to its one off nature, future provision has not been made for this in the MTFS.

Brexit preparation grant of £35,000 has been received to date by the Council, again further funding for 2020/21 has been committed to via the Comprehensive Spending Review – due to its one off nature provision has not been made for this in the MTFS.

h) New Homes Bonus

New Homes Bonus is paid on a 4 year rolling basis. Income from New Homes Bonus has been budgeted in line with the confirmed grant announcement, with a reducing balance over the medium term due to funding for earlier years dropping out. The MTFS has been updated to reflect current forecasts of house building activity.

i) Council Tax

Council Tax increases at the average Band D rate of £5 have been applied each year based on the current year level. The Council Tax Referendum level for 2020/21 has not been announced. However, implicit within the calculation of local authority core spending power announced as part of the 2019 Comprehensive Spending Review is an increase of between 2.5% and 3%. A 1% change in Council Tax equates to £0.077m in income.

Growth in the Council Tax Base (the number of Band D equivalent dwellings subject to Council Tax) has been applied based on available intelligence and historical trend data.

j) Business Rates

An additional £0.300m of income relating to Business Rates has been added to the funding budget. This additional funding is due to the Business Rates collection fund being in surplus at the end of 2018/19 and is net of additional provision for appeals.

It is anticipated that the Council's income from Business Rates will increase at an inflationary amount during future years, if there are significant developments undertaken within the District this is likely to increase future revenue in the form of growth. However, the timing and value of any benefit will be impacted by the baseline resets applied as part of the Business Rates Retention scheme

k) Business Rates Retention Pilot

The Council has for a number of years participated in a Business Rates pool with the local district and borough councils in East Sussex. The pool was successful in its application for a 75% Business Rates Pilot for 2019/20 and this has resulted in a projected financial benefit to the

Council of £0.200m in the current year. This additional money is 'one off' and is not included in the MTFS as an ongoing income.

Following the 2019 Comprehensive Spending Review announcement on 4th September the pool has now been informed that the current pilot will come to an end in 2019/20. Agreement has been reached with neighbouring authorities to continue the existing pooling arrangements for 2020/21, and the MTFS has been updated to reflect the impact of this.



| Line No. |  | Original Programme 2018/19 £'000 | Current Programme 2018/19 £'000 | 2019/20 £'000 | 2019/20 Rev £'000 | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | Total 2019-23 £'000 |
|----------|--|----------------------------------|---------------------------------|---------------|-------------------|---------------|---------------|---------------|---------------------|
| 1        | <b>Housing</b>   |                                  |                                 |               |                   |               |               |               |                     |
| 2        | Feasibility Studies  | -                                | -                               | -             | 100               | -             | -             | -             | 100                 |
| 3        | Ashington Gardens Development                              | -                                | -                               | -             | 320               | -             | -             | -             | 320                 |
| 4        | Saxonbury Redevelopment                                    | -                                | -                               | -             | 1,420             | -             | -             | -             | 1,420               |
| 5        | Buy-back of RTB properties                                 | -                                | -                               | 200           | 200               | 200           | 200           | -             | 600                 |
| 6        | Improvements to Housing Stock                              | -                                | -                               | 4,350         | 4,407             | 4,448         | 4,554         | 4,662         | 18,071              |
| 7        | New Acquisitions & New Build                               | -                                | -                               | -             | -                 | 9,854         | 10,100        | 10,632        | 30,586              |
| 8        | LDC LHIC/Aspiration Homes - loans to facilitate delivery   | 15,000                           | 20,000                          | -             | 2,296             | 1,250         | 1,250         | 1,250         | 6,046               |
| 9        | Sustainability Initiatives                                 | -                                | -                               | -             | -                 | 500           | -             | -             | 500                 |
| 10       | Disabled Adaptation -HRA                                   | -                                | -                               | 415           | 415               | 415           | 415           | 415           | 1,660               |
| 11       | Mandatory Disabled Facilities Grants -GF                   | 920                              | 1,738                           | 1,001         | 1,001             | 1,001         | 1,001         | 1,001         | 4,004               |
| 12       | Private Sector Housing Grants                              | 135                              | 245                             | 135           | 135               | 135           | 135           | 135           | 540                 |
| 13       | Temporary Accommodation                                    | -                                | 2,200                           | -             | 2,200             | -             | -             | -             | 2,200               |
| 14       | HRA Parks and Recreation Grounds                           | -                                | -                               | 50            | 140               | 50            | 50            | 50            | 290                 |
| 15       | <b>Total Housing Investment</b>                            | <b>16,055</b>                    | <b>24,183</b>                   | <b>6,151</b>  | <b>12,634</b>     | <b>17,853</b> | <b>17,705</b> | <b>18,145</b> | <b>66,337</b>       |
| 16       | <b>GENERAL FUND CAPITAL PROGRAMME</b>                      |                                  |                                 |               |                   |               |               |               |                     |
| 17       | <b>JTP</b>   | -                                | 429                             | -             | 262               | -             | -             | -             | 262                 |
| 18       | <b>Regeneration</b>  |                                  |                                 |               |                   |               |               |               |                     |
| 19       | Commercial Property acquisitions and developments          | 4,000                            | 2,533                           | 4,000         | -                 | 1,000         | 500           | 500           | 2,000               |
| 20       | North Street Quarter                                       | 3,400                            | 4,630                           | -             | 600               | 2,000         | 2,000         | -             | 4,600               |
| 21       | Asset Development - Newhaven                               | 1,000                            | 1,600                           | -             | 300               | 1,300         | -             | -             | 1,600               |
| 22       | Asset Development - Seaford                                | 1,300                            | 18,700                          | -             | 150               | 18,550        | -             | -             | 18,700              |
| 23       | Avis Way Depot   | -                                | 4,100                           | -             | 250               | 2,100         | 2,550         | -             | 4,900               |
| 24       | Denton Island  | -                                | 550                             | -             | -                 | -             | -             | -             | -                   |
| 25       | <b>Waste</b>   |                                  |                                 |               |                   |               |               |               |                     |
| 26       | Vehicles   | 156                              | 986                             | 964           | -                 | 329           | -             | 227           | 556                 |
| 27       | Other Equipment  | 71                               | 978                             | -             | -                 | -             | -             | -             | -                   |
| 28       | <b>Specialist</b>  |                                  |                                 |               |                   |               |               |               |                     |
| 29       | Coastal Defence Works                                      | -                                | 166                             | -             | -                 | 100           | 100           | 100           | 300                 |
| 30       | Air Quality Monitoring Station Newhaven                    | 80                               | 80                              | -             | -                 | -             | -             | -             | -                   |
| 31       | Flood Protection Measures                                  | 136                              | 188                             | 136           | 136               | 158           | 136           | 136           | 566                 |
| 32       | Tree Survey Works  | 10                               | 10                              | -             | -                 | -             | -             | -             | -                   |
| 33       | <b>IT</b>  |                                  |                                 |               |                   |               |               |               |                     |
| 34       | IT Block Allocation  | 150                              | 150                             | 150           | 150               | 185           | 150           | 150           | 635                 |
| 35       | <b>Asset Management</b>                                    |                                  |                                 |               |                   |               |               |               |                     |
| 36       | Asset Management - Block Allocation                        | 250                              | 256                             | 250           | 300               | 700           | 400           | 300           | 1,700               |
| 37       | Public Conveniences  | -                                | -                               | -             | -                 | 100           | 100           | 100           | 300                 |
| 38       | Asset Management - Other works                             | -                                | 813                             | -             | -                 | -             | -             | -             | -                   |
| 39       | Robinson Road Depot - Priority works                       | 55                               | 250                             | -             | -                 | -             | -             | -             | -                   |
| 40       | Parks, Pavilions etc. – Remedial works                     | 50                               | 854                             | 50            | 50                | 50            | 50            | 50            | 200                 |
| 41       | Newhaven Fort - Major repairs and improvements             | 50                               | 210                             | 50            | 50                | 50            | 50            | 50            | 200                 |
| 42       | Indoor Leisure Facilities - Major repairs and improvements | 50                               | 240                             | 50            | 50                | 50            | 50            | 50            | 200                 |
| 43       | Newhaven Square – Completion of fit out works              | 100                              | 100                             | -             | -                 | -             | -             | -             | -                   |
| 44       | <b>CIL</b>   |                                  |                                 |               |                   |               |               |               |                     |
| 45       | Finance Transformation                                     | -                                | 322                             | -             | -                 | -             | -             | -             | -                   |
| 46       | <b>Total General Fund Capital Programme</b>                | <b>10,858</b>                    | <b>38,145</b>                   | <b>5,750</b>  | <b>2,398</b>      | <b>26,722</b> | <b>6,136</b>  | <b>1,663</b>  | <b>36,919</b>       |
| 47       | <b>TOTAL CAPITAL PROGRAMME REQUIREMENT</b>                 | <b>26,913</b>                    | <b>62,328</b>                   | <b>11,901</b> | <b>15,032</b>     | <b>44,575</b> | <b>23,841</b> | <b>19,808</b> | <b>103,256</b>      |

## LDC OUTLINE 3 YEAR CAPITAL PROGRAMME 2018/19 to 2022/23

## Appendix 5

| Line No. |   | Original Programme 2018/19 £'000 | Current Programme 2018/19 £'000 | 2019/20 £'000 | 2019/20 Rev £'000 | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | Total 2019-23 £'000 |
|----------|---|----------------------------------|---------------------------------|---------------|-------------------|---------------|---------------|---------------|---------------------|
| 48       | <b>FUNDING AVAILABILITY</b>               |                                  |                                 |               |                   |               |               |               |                     |
| 49       | HRA -RTB Capital Receipts                 | -                                | -                               | -             | 186               | 2,031         | 574           | 596           | 3,387               |
| 50       | RTB 1-1 Receipts                          | -                                | -                               | -             | 363               | 371           | 380           | 388           | 1,502               |
| 51       | Other Capital Receipts                    | -                                | -                               | -             | 1,650             | 1,500         | -             | -             | 3,150               |
| 52       | Major Repair Reserves                     | -                                | -                               | 4,815         | 4,803             | 11,565        | 5,902         | 5,446         | 27,716              |
| 53       | Revenue Contributions                     | -                                | -                               | -             | -                 | -             | 2,595         | 958           | 3,553               |
| 54       | Borrowing -HRA                            | -                                | -                               | 200           | -                 | -             | 5,868         | 8,371         | 14,239              |
| 55       | <b>HRA - Total Funding</b>                | -                                | -                               | <b>5,015</b>  | <b>7,002</b>      | <b>15,467</b> | <b>15,319</b> | <b>15,759</b> | <b>53,547</b>       |
| 56       | Borrowing- GF                             | 24,700                           | 53,792                          | 4,000         | 5,144             | 27,059        | 6,700         | 1,850         | 40,753              |
| 57       | Capital Receipts                          | 135                              | 1,248                           | 135           | 135               | 135           | 135           | 135           | 540                 |
| 58       | Disabled Facilities Grant                 | 920                              | 1,738                           | 1,001         | 1,001             | 1,001         | 1,001         | 1,001         | 4,004               |
| 59       | General Fund Reserves                     | 1,022                            | 4,288                           | 1,614         | 1,614             | 777           | 550           | 927           | 3,868               |
| 60       | Capital Expenditure Financed from Revenue | 136                              | 213                             | 136           | 136               | 136           | 136           | 136           | 544                 |
| 61       | Community Infrastructure Levy (CIL)       | -                                | 322                             | -             | -                 | -             | -             | -             | -                   |
| 62       | Developer Contributions (S106)            | -                                | 351                             | -             | -                 | -             | -             | -             | -                   |
| 63       | Other Capital Contributions               | -                                | 376                             | -             | -                 | -             | -             | -             | -                   |
| 64       | <b>GF - Funding Availability</b>          | <b>26,913</b>                    | <b>62,328</b>                   | <b>6,886</b>  | <b>8,030</b>      | <b>29,108</b> | <b>8,522</b>  | <b>4,049</b>  | <b>49,709</b>       |
| 65       | <b>Total Funding Availability</b>         | <b>26,913</b>                    | <b>62,328</b>                   | <b>11,901</b> | <b>15,032</b>     | <b>44,575</b> | <b>23,841</b> | <b>19,808</b> | <b>103,256</b>      |

## Appendix 6

| RISKS   | LIKELIHOOD<br>H<br>(HIGH), M<br>(MEDIUM), L<br>(LOW) | IMPACT<br>H<br>(HIGH), M<br>(MEDIUM), L<br>(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   | H  | H  | Constantly monitor  |

## Appendix 6

|  |   |   |  |
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| the Government's change agenda including, business rates and welfare reform over the medium term.  |   |   | 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  | L | L | Sound system of service and financial planning in place.   |

## Appendix 6

|   |   |   |  |
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| adversely impact on service priorities and objectives.  |   |   | 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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# Agenda Item 20

|   |   |
|---|---|
| <b>Report to:</b>                       | <b>Cabinet</b>  |
| <b>Date:</b>                            | <b>10 February 2020</b>   |
| <b>Title:</b>                           | <b>Treasury Management and Prudential Indicators 2020/21,<br/>Capital Strategy &amp; Investment Strategy</b>  |
| <b>Report of:</b>                       | <b>Chief Finance Officer</b>  |
| <b>Cabinet member:</b>                  | <b>Councillor Zoe Nicholson, Leader of the Council and Cabinet<br/>Member for Finance</b>   |
| <b>Ward(s):</b>                         | <b>All</b>  |
| <b>Purpose of the<br/>report:</b>       | <b>To approve the Council's Annual Treasury Management<br/>Strategy, Capital Strategy &amp; investment Strategy together<br/>with the Treasury and Prudential Indicators for the next<br/>financial year.</b>   |
| <b>Decision type:</b>                   | <b>Budget and policy framework</b>  |
| <b>Recommendation:</b>                  | <b>Cabinet is asked to recommend the following proposals to<br/>full Council to :</b><br><br><b>a. Approve the Treasury Management Strategy and<br/>Annual Investment Strategy for 2020/21 as set out in<br/>Appendix A;</b><br><br><b>b. Approve the Minimum Revenue Provision Policy<br/>Statement 2020/21 as set out at paragraph 8;</b><br><br><b>c. Approve the Prudential and Treasury Indicators<br/>2020/21 to 2022/23, as set out at paragraph 6;</b><br><br><b>d. Approve the Capital Strategy set out in Appendix E.</b> |
| <b>Reasons for<br/>recommendations:</b> | <b>It is a requirement of the budget setting process for the<br/>Council to review and approve the Prudential and Treasury<br/>indicators, Treasury Strategy, Capital Strategy and<br/>Investment Strategy.</b>   |
| <b>Contact Officer:</b>                 | <b>Ola Owolabi, Deputy Chief Finance Officer<br/>Telephone: 01323 415083<br/>E-mail address: <a href="mailto:Ola.Owolabi@lewes-eastbourne.gov.uk">Ola.Owolabi@lewes-eastbourne.gov.uk</a></b>   |

## **1. Introduction**

- 1.1 The Prudential and Treasury Indicators and Treasury Strategy covers:
- the capital prudential indicators;
  - the Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
  - the Treasury Management Strategy (how the investments and borrowings are

- to be organised) including treasury indicators; and
  - an investment strategy (the parameters on how investments are to be managed);
  - Capital Strategy.
- 1.2 The Council adopted CIPFA's Treasury Management code of Practice on 18 May 2010. This code is supported by treasury management practices (TMPs) that set out the manner in which the council seeks to achieve the treasury management strategy and prescribes how it manages and controls those activities.
- 1.3 CIPFA defines treasury management as:
- “The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.4 The report include the Capital Strategy (Appendix E), which provide a longer-term focus on the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The aim of the capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy covers the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
  - an overview of how the associated risk is managed;
  - the implications for future financial sustainability.
- 1.5 **Policy on the use of external service providers**
- The Council uses Arlingclose Limited as its external treasury management advisors, and recognises that responsibility for treasury management decisions remains with the Council at all times. It also recognises that there is value in employing external providers of treasury management services in order to have access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 2. End of year investment report**
- At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.
- 3. Outcome expected and performance management**
- 3.1 Loans, Investments and Prudential Indicators will be monitored regularly during



2020/21 and performance will be reported to members quarterly.

#### **4. Financial appraisal**

4.1 These are included in the main body of the report.

#### **5. Legal implications**

5.1 This report covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

#### **6. Equality analysis**

6.1 The equality implications of decisions relating to Treasury Management covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis.

#### **7. Conclusion**

7.1 Capital prudential indicators are set to demonstrate plans for borrowing are affordable. The movement in the Capital Financing Requirement (CFR) forecasts for 2019/20, 2020/21, 2021/22 & 2022/23 are set as £87.0m, £113.9m, £125.0m, & £134.2m respectively. This borrowing has been reflected in the Capital Financing Requirement, which sets out the Council's outlining requirement for borrowing, and includes both the use of internal resources and external borrowing. The proposed Minimum Revenue Provision Policy is updated to ensure that prudent provision is made for the repayment of borrowing.

7.2 All Treasury indicators have been set to reflect the treasury strategy and funding requirements of the capital programme.

#### **Appendices**

- A** Treasury Management Strategy Statement, Minimum Revenue Provision and Annual Investment Strategy.
- B** The Treasury Management Role of the Section 151 Officer.
- C** Counterparty List.
- D** Arlingclose Limited on the Economic Background and Forward View.
- E** Capital Strategy.

## **Background papers**

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

- CIPFA Treasury Management in the Public Services code of Practice (the Code);
- Cross-sectorial Guidance Notes;
- CIPFA Prudential Code;
- Treasury Management Strategy and Treasury Management Practices;
- Council Budget 10 February 2020;
- Finance Matters and Performance Monitoring Reports 2019;
- CIPFA Prudential Property Investment.

To inspect or obtain copies of background papers please refer to the contact officer listed above.



**Lewes District Council**

**Treasury Management Strategy  
Statement,  
Minimum Revenue Provision  
and  
Annual Investment Strategy.**

**2020/21**

## CONTENTS

| <b>Sec.</b>   | <b>Page</b> |
|---|-------------|
| <b>1. INTRODUCTION</b>  | <b>7</b>    |
| <b>2. TREASURY MANAGEMENT REPORTING</b>                         | <b>8</b>    |
| <b>3. TREASURY MANAGEMENT POLICY STATEMENT</b>                  | <b>8</b>    |
| <b>4. CAPITAL STRATEGY</b>                                      | <b>9</b>    |
| <b>5. TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2020/21</b>    | <b>10</b>   |
| 5.1 Current Investment & Borrowing Position                     | 10          |
| 5.2 Prospects for Interest Rates                                | 11          |
| 5.3 Investment and borrowing rates                              | 12          |
| 5.4 Borrowing Strategy for 2020/21                              | 12          |
| 5.5 Borrowing other than with the PWLB                          | 14          |
| 5.6 Policy on Borrowing in Advance of Need                      | 15          |
| 5.7 Debt Rescheduling   | 15          |
| 5.8 New financial institutions as a source of borrowing         | 15          |
| 5.9 Continual Review  | 15          |
| <b>6. PRUDENTIAL AND TREASURY INDICATORS 2020/21 to 2023/24</b> | <b>16</b>   |
| <b>7. ANNUAL INVESTMENT STRATEGY</b>                            | <b>18</b>   |
| 7.1 Investment Policy   | 18          |
| 7.2 Investment Strategy for 2020/21                             | 19          |
| 7.3 Investment returns expectations.                            | 19          |
| 7.4 Investment treasury indicator and limit                     | 20          |
| 7.5 Specified and Non-Specified Investments                     | 20          |
| 7.6 Creditworthiness Policy                                     | 21          |
| 7.7 Criteria for Specified Investments:                         | 22          |
| 7.8 Non-Specified investments                                   | 23          |
| 7.9 Non treasury management investments                         | 24          |
| 7.10 Risk and Sensitivity Analysis                              | 24          |
| 7.11 Lending to third parties                                   | 24          |
| <b>8. MINIMUM REVENUE PROVISION</b>                             | <b>25</b>   |
| <b>9. SCHEME OF DELEGATION</b>                                  | <b>27</b>   |
| <b>10. OTHER TREASURY ISSUES</b>                                | <b>27</b>   |

## 1. INTRODUCTION

The Treasury Management Policy and Strategy is one of the Council's key financial strategy documents and sets out the Council's approach to the management of its treasury management activities.

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA defines treasury management as:

*"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury management strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing investments and for giving priority to the security and liquidity of those investments.

This strategy is updated annually to reflect changes in circumstances that may affect the strategy.

## 2. TREASURY MANAGEMENT REPORTING

The Council/Members are required to receive and approve, as a minimum, 3 reports annually which incorporate a variety of policies, forecasts and actuals as follows;

- a. **Annual treasury strategy** (issued February and includes);
  - a. A Minimum Revenue Provision (MRP) policy (this reflects capital expenditure previously financed by borrowing and how the principal element is charged to revenue over time);
  - b. The treasury management strategies (how the investments and borrowings are to be organised) including treasury prudential indicators and limits;
  - c. An investment strategy (the parameters on how investments are to be managed).
- b. **Mid-year update** – (issued November / December and provides an);
  - a. update for members with the progress of the treasury management activities undertaken for the period April to September and
  - b. opportunity for amending prudential indicators and any policies if necessary.
- c. **Annual outturn** – (issued June and contains);
  - a. details of actual treasury operations undertaken in the previous financial year.

Each of the above 3 reports are required to be adequately scrutinised by the Lewes District Council Audit and Standards Committee before being recommended to the Cabinet and Council for final approval. This Council delegates responsibility for implementation and monitoring treasury management to Cabinet and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer;

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (Revised 2018) including the creation and maintenance of a Treasury Management Policy Statement stating the policies, objectives and approach to risk management of the Council's treasury management activities.

## 3. TREASURY MANAGEMENT POLICY STATEMENT

The policies and objectives of the Council's treasury management activities are as follows:

- a. This Council defines its treasury management activities as - *'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'*.
- b. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- c. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

#### 4. CAPITAL STRATEGY

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report (Appendix E) which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance, CIPFA Prudential Property Investment and CIPFA Prudential Code have not been adhered to. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

Most of the capital expenditure incurred by authorities requires risks to be managed, particularly in relation to whether the assets acquired will provide the benefits projected for them and whether estimates of acquisition and running costings and income generation will be reliable. These considerations will impact on decisions regarding whether it would be prudent to borrow to fund such expenditure. Reductions in government funding have meant that local authorities have been under growing pressure to incur capital expenditure with the objective of generating revenue income that will compensate for reductions in government funding.

CIPFA concerns relating to the rapid expansion of acquisitions of commercial property and its relationship with CIPFA's statement in its Prudential Code that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Where authorities exceed the limits of the Prudential Code and the wider Prudential Framework this places a strain on the credibility of the Prudential Framework to secure the prudent management of local authority finances. The view expressed in the Prudential Code effectively reflects the circumstances where there is no specific or projected need to borrow but an opportunity has been identified to make an investment return greater than the authority's

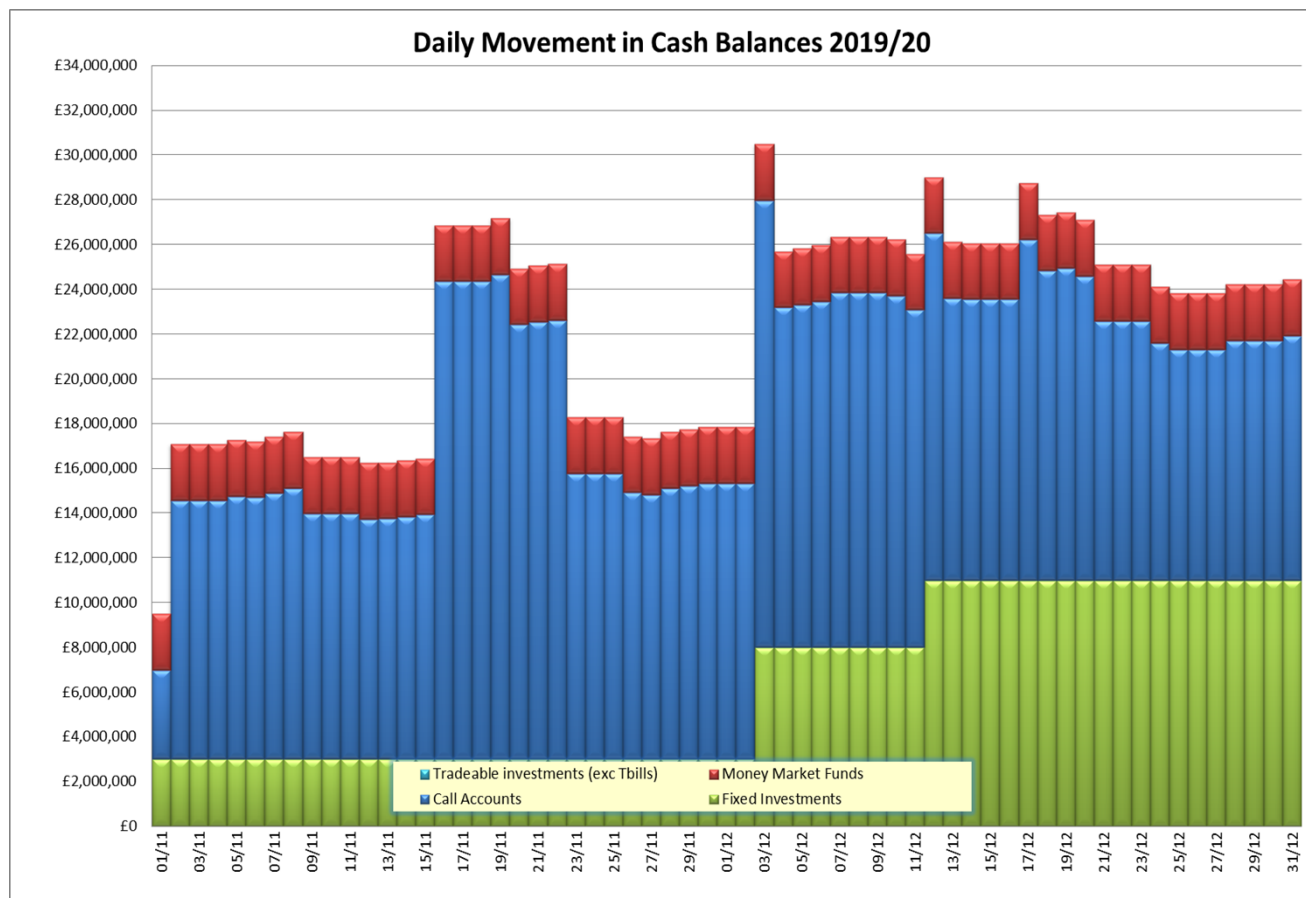
cost of borrowing. For local authorities, who have access to borrowing at relatively low rates, there are tempting opportunities to generate income at no net capital or revenue cost.

The Prudential Framework (including statutory guidance and the Prudential Code itself) allows local authorities the flexibility to take their own decisions; provided that the decisions taken are prudent, affordable and sustainable and that they have regard to the statutory guidance. However, local authorities will need to ensure if they acquire commercial property with substantial investment returns that they have a clear rationale for such acquisitions. If after having regard to the statutory guidance and the Prudential Code local authorities decide to depart from such guidance, they can only do so where a robust and reasonable argument can be put that an alternative approach will still meet the authority's various duties under Chapter 1 of the Local Government Act 2003.

## 5. TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2020/21

### 5.1 Current Investment & Borrowing Position

The Council (i.e., Non-HRA) has no long-term external borrowing as at 31 March 2020, all HRA long term borrowing are sourced from the Public Works Loan Board (PWLB) at fixed interest rates. The PWLB allows local authorities to repay loans early and either pay a premium or obtain a discount according to a formula based on current interest rates. The chart below summarises the Council's investment position over the period 1 November to 31 December 2019. It shows the total sums invested each day as Fixed Term deposits, Treasury Bills, amounts held in Deposit accounts, Money Market Funds and Tradeable Investments.





## 5.2 Prospects for Interest Rates

The Council has appointed Arlingclose Limited as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates.

**Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for September registered 1.7% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, rose to 1.7% from 1.5% in August. The most recent labour market data for the three months to August 2019 showed the unemployment rate ticked back up to 3.9% while the employment rate was 75.9%, just below recent record-breaking highs. The headline 3-month average annual growth rate for pay was 3.8% in August as wages continue to rise steadily. In real terms, after adjusting for inflation, pay growth increased 1.9%.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Services and construction added positively to growth, by 0.6% and 0.4% respectively, while production was flat and agriculture recorded a fall of 0.2%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target of 'below, but close to 2%' and leading to the central bank holding its main interest rate at 0% while cutting the deposit facility rate to -0.5%. In addition to maintaining interest rates at ultra-low levels, the ECB announced it would recommence its quantitative easing programme from November.

In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back of the ongoing trade war with China. At its last meeting the Fed cut rates to the range of 1.50-1.75% and financial markets expect further loosening of monetary policy in 2020. US GDP growth slowed to 1.9% annualised in Q3 from 2.0% in Q2.

**Credit outlook:** Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a “no-deal” Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

**Interest rate forecast:** The Authority’s treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose’s interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix D.

### **5.3 Investment and borrowing rates**

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.
- Borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 bps on 9.10.19. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, the unexpected increase of 100 bps in PWLB rates requires a major rethink of local authority treasury management strategy and risk management. The gap between longer term borrowing rates and investment rates has materially widened, and in the long term Bank Rate is not expected to rise above 2.5%.
- While this authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

### **5.4 Borrowing Strategy for 2020/21**

Capital Investment can be paid for using cash from one or more of the following sources:

- Cash from existing and/or new capital resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves);
- Cash raised by borrowing externally;
- Cash being held for other purposes (e.g. earmarked reserves or working capital) but used in the short term for capital investment. This is known as ‘internal borrowing’ as there will be a future needs to borrow externally once the cash is required for the other purposes.

Under the CIPFA Prudential Code an authority is responsible for deciding its own level of affordable borrowing within set prudential indicator limits (see section 6).

Borrowing does not have to take place immediately to finance its related capital investment and may be deferred or borrowed in advance of need within policy. The Council's primary objective when borrowing is to strike an appropriately low risk balance between securing low interest rates and achieving cost certainty over the period for which funds are required.

When MRP is not required to repay debt, it will accumulate as cash balances which will then be invested. Investment balances will increase by MRP each year until the debt is repaid. The Council's Draft Revenue Budget and Capital Programme 2020/21 to 2022/23 forecasts £88.2m of capital investment over the next three years with £38.8m met from existing or new resources. The amount of new borrowing required over this period is therefore £49.8m as shown in **Table 2** below.

| <b>Table 2a</b>                                  | <b>2019/20</b>  | <b>2020/21</b>  | <b>2021/22</b>  | <b>2022/23</b>  |
|--|-----------------|-----------------|-----------------|-----------------|
|  | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> |
|  | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       |
| <b>Capital Expenditure</b>                       |                 |                 |                 |                 |
| Non-HRA  | 2.4             | 26.7            | 6.0             | 1.7             |
| HRA  | 7.0             | 15.5            | 15.3            | 15.8            |
| Commercial Activities/ Non-financial investments | 5.6             | 2.4             | 2.4             | 2.4             |
| <b>Total</b>                                     | <b>15.0</b>     | <b>44.6</b>     | <b>23.8</b>     | <b>19.8</b>     |
| <b>Financed by:</b>                              |                 |                 |                 |                 |
| HRA Resources                                    | 7.0             | 15.5            | 9.5             | 7.4             |
| Capital Reserves                                 | 1.6             | 0.8             | 0.6             | 0.9             |
| Capital Grants                                   | 1.0             | 1.0             | 1.0             | 1.0             |
| Capital Receipts                                 | 0.1             | 0.1             | 0.1             | 0.1             |
| Revenue Contributions                            | 0.1             | 0.1             | 0.1             | 0.1             |
| <b>Borrowing Need</b>                            | <b>6.8</b>      | <b>27.8</b>     | <b>13.1</b>     | <b>11.1</b>     |

As existing and forecast future resources are insufficient to meet the level of spend, the borrowing need of £49.8m will initially be met from internal borrowing. This is to use the Council's own surplus funds until external borrowing is required. Internal borrowing reduces borrowing costs and risk as there is less exposure of external investments. The benefits of internal borrowing need to be monitored and weighed against deferring new external borrowing into future years when long-term borrowing rates could rise.

| <b>Table 2b</b><br><b>Capital Financing Requirement</b> | <b>2019/20</b>  | <b>2020/21</b>  | <b>2021/22</b>  | <b>2022/23</b>  |
|---|-----------------|-----------------|-----------------|-----------------|
|   | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> |
|   | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       |
| CFR – non housing                                       | 6.8             | 29.5            | 30.4            | 31.2            |
| CFR - housing   | 66.0            | 68.3            | 77.0            | 83.4            |
| Commercial Activities/non-financial investments         | 14.2            | 16.0            | 17.8            | 19.6            |
| <b>Total CFR</b>  | <b>87.1</b>     | <b>113.9</b>    | <b>125.2</b>    | <b>134.2</b>    |
| <b>Movement in CFR</b>                                  | <b>5.1</b>      | <b>26.8</b>     | <b>11.4</b>     | <b>9.0</b>      |
| <b>Movement in CFR represented by-</b>                  |                 |                 |                 |                 |
| Net financing needed for the year (above)               | 5.1             | 27.1            | 12.9            | 10.2            |
| Less MRP/VRP and other financing movements              | (0.1)           | (0.3)           | (1.2)           | (1.2)           |
| <b>Movement in CFR</b>                                  | <b>5.1</b>      | <b>26.8</b>     | <b>11.4</b>     | <b>9.0</b>      |

The amount that notionally should have been borrowed is known as the **capital financing requirement (CFR)**. The CFR and actual borrowing may be different at a point in time and the difference is either an under or over borrowing amount. The Council is required to repay an element of the CFR each year through a revenue charge. This is known as the minimum revenue provision (MRP) and is currently estimated to be £285.6k for 2020/21. MRP will cause a reduction in the CFR annually.

**Table 3** below includes the figures from Table 2 and shows the actual external borrowing against the capital financing requirement, identifying any under or over borrowing.

| <b>Table 3</b>               | <b>2019/20</b>  | <b>2020/21</b>  | <b>2021/22</b>  | <b>2022/23</b>  |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                              | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> |
|                              | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       |
| GF Borrowing at 1 April      | -               | 5.1             | 32.2            | 38.9            |
| HRA Borrowing at 1 April     | 56.7            | 56.7            | 56.7            | 62.5            |
| <b>Borrowing at 31 March</b> | <b>56.7</b>     | <b>61.8</b>     | <b>88.9</b>     | <b>101.4</b>    |
| GF new borrowing             | 5.1             | 27.1            | 6.7             | 1.9             |
| HRA new borrowing            | -               | -               | 5.9             | 8.4             |
| less loan maturities         | -               | -               | -               | -               |
| New borrowing                | 5.1             | 27.1            | 12.6            | 10.2            |
| <b>Borrowing at 31 March</b> | <b>61.8</b>     | <b>88.9</b>     | <b>101.4</b>    | <b>111.7</b>    |
| CFR at 1 April               | 82.0            | 97.0            | 141.3           | 163.9           |
| Net Capital Expenditure      | 5.1             | 27.1            | 12.6            | 10.2            |
| MRP                          | (0.1)           | (0.3)           | (1.2)           | (1.2)           |
| <b>CFR at 31 March</b>       | <b>87.1</b>     | <b>113.9</b>    | <b>125.2</b>    | <b>134.2</b>    |
| <b>Under borrowing</b>       | <b>25.3</b>     | <b>25.0</b>     | <b>23.8</b>     | <b>22.6</b>     |

The Council is currently maintaining an under-borrowing position as it previously took advantage of historic low borrowing rates for HRA borrowing. As at the end of 2019/20, the Council is projected to be under borrowed by £25.3m, £25.0m by 2020/21 and then only moving around the margin until 2022/23.

### **5.5 Borrowing other than with the PWLB**

The Council has previously borrowed mainly from the PWLB, but will continue to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates. Any new borrowing taken out will be completed with regard to the limits, indicators, the economic environment, the cost of carrying this debt ahead of need, and interest rate forecasts. The S151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

**Municipal Bond Agency** - It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority may make use of this new source of borrowing as and when appropriate.

## **5.6 Policy on Borrowing in Advance of Need**

The Council will not borrow purely in order to profit from investment of extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## **5.7 Debt Rescheduling**

Officers continue to regularly review opportunities for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has made PWLB debt restructuring now much less attractive. Consideration would have to be given to the large premiums (cash payments) which would be incurred by prematurely repaying existing PWLB loans. It is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

## **5.8 New financial institutions as a source of borrowing**

Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (no issuance at present but there is potential)

The degree to which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but our advisors will keep us informed. Therefore, the strategy is to continue to seek opportunity to reduce the overall level of Council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayments costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the S151 Officer.

## **5.9 Continual Review**

Treasury officers continue to review the need to borrow taking into consideration the potential increases in borrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Chief Finance Officer will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

## 6. PRUDENTIAL AND TREASURY INDICATORS 2020/21 to 2023/24

The Council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans are reflected in prudential indicators. Local Authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2020/21 to 2023/24 are set out in **Table 4** below:

| <b>Table 4</b>  | <b>2019/20 Estimate</b> | <b>2020/21 Estimate</b> | <b>2021/22 Estimate</b> | <b>2022/23 Estimate</b> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Capital Expenditure (gross)</b><br>Council's capital expenditure plans (including HRA)   | £15.0m                  | £44.6m                  | £23.8m                  | £19.8m                  |
| <b>Capital Financing Requirement</b><br>Measures the underlying need to borrow for capital purposes (including Leases)  | £87.1m                  | £113.9m                 | £125.2m                 | £134.2m                 |
| <b>Ratio of financing costs to net revenue stream</b><br>Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream           | 15.2%                   | 15.1%                   | 15.0%                   | 18.5%                   |
| <b>Incremental impact of capital investment decisions on council tax</b><br>Identifies the revenue costs associated with proposed changes to the three year programme compared to the existing approved commitments | £4.77                   | (£19.64)                | (£23.22)                | (£0.30)                 |

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2020/21 to 2023/24 are set out in **Table 5** below:

| <b>Table 5 -<br/>Authorised Limit for External Debt</b>  | <b>2019/20<br/>Estimate</b> | <b>2020/21<br/>Estimate</b> | <b>2021/22<br/>Estimate</b> | <b>2022/23<br/>Estimate</b> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <b>£m</b>                   | <b>£m</b>                   | <b>£m</b>                   | <b>£m</b>                   |
| Borrowing  | 70.0                        | 70.3                        | 70.3                        | 80.3                        |
| Other long term liabilities  | 0.4                         | 0.4                         | 0.4                         | 0.4                         |
| Commercial activities/non-financial investments  | 57.3                        | 61.3                        | 61.3                        | 61.3                        |
|  | <b>127.7</b>                | <b>132.0</b>                | <b>132.0</b>                | <b>142.0</b>                |
| <p><b>The Authorised Limit</b> - The authorised limit represents a limit beyond which external debt is prohibited and it is the maximum amount of debt that the Council can legally owe. This limit is set by Council and can only be revised by Council approval. It reflects the level of external borrowing which, while not desirable, could be afforded in the short term, but is not sustainable in the longer. The current limit is set at 10% above the Operational Boundary.</p>  |                             |                             |                             |                             |
| <b>Operational boundary for external debt</b>  | <b>£m</b>                   | <b>£m</b>                   | <b>£m</b>                   | <b>£m</b>                   |
| Borrowing  | 65.0                        | 65.0                        | 65.3                        | 75.3                        |
| Other long term liabilities  | 0.4                         | 0.4                         | 0.4                         | 0.4                         |
| Commercial activities/non-financial investments  | 52.3                        | 56.3                        | 56.3                        | 56.3                        |
|  | <b>117.7</b>                | <b>122.0</b>                | <b>122.0</b>                | <b>132.0</b>                |
| <p><b>The Operational Boundary</b> - This is the expected borrowing position of the Council during the year, taking account of the timing of various funding streams. The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. This indicator may be breached temporarily for operational reasons.</p> |                             |                             |                             |                             |
| <b>Upper limit for fixed interest rate exposure*</b><br>Identifies a maximum limit for fixed interest rates for borrowing and investments.   | 100%                        | 100%                        | 100%                        | 100%                        |
| <b>Upper limit for variable interest rate exposure*</b><br>Identifies a maximum limit for variable interest rates for borrowing and investments.   | 25%                         | 25%                         | 25%                         | 25%                         |
| <b>Maturity Structure of Borrowings*</b><br>The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing:   |                             |                             |                             |                             |

| Table 5 -<br>Authorised Limit for External Debt | 2019/20<br>Estimate | 2020/21<br>Estimate | 2021/22<br>Estimate | 2022/23<br>Estimate |
|---|---------------------|---------------------|---------------------|---------------------|
|   | £m                  | £m                  | £m                  | £m                  |
| Upper limit for under 12 months                 | 75%                 | 75%                 | 75%                 | 75%                 |
| Lower limit for under 12 months                 | 0%                  | 0%                  | 0%                  | 0%                  |
| Upper limit for 12 months to 2 years            | 75%                 | 75%                 | 75%                 | 75%                 |
| Lower limit for over 12 months to 2 years       | 0%                  | 0%                  | 0%                  | 0%                  |
| Upper limit for 2 years to 5 years              | 75%                 | 75%                 | 75%                 | 75%                 |
| Lower limit for 2 years to 5 years              | 0%                  | 0%                  | 0%                  | 0%                  |
| Upper limit for 5 years to 10 years             | 75%                 | 75%                 | 75%                 | 75%                 |
| Lower limit for 5 years to 10 years             | 0%                  | 0%                  | 0%                  | 0%                  |
| Upper limit for over 10 years                   | 75%                 | 75%                 | 75%                 | 75%                 |
| Lower limit for over 10 years                   | 0%                  | 0%                  | 0%                  | 0%                  |

*Note-*

*\*the Treasury Indicators above have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.*

The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.

## 7. ANNUAL INVESTMENT STRATEGY

### 7.1 Investment Policy

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (Appendix E). The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance");
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code");
- CIPFA Treasury Management Guidance Notes 2018;
- CIPFA Prudential Property Investment.

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the



markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.

- **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

## 7.2 Investment Strategy for 2020/21

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

## 7.3 Investment returns expectations.

On the assumption that the UK and EU agree a Brexit deal including the terms of trade by the end of 2020 or soon after, then Bank Rate is forecast to increase only slowly over the next few years to reach 1.00% by quarter 1 2023. Bank Rate forecasts for financial year ends (March) are:

- Q1 2021 0.75%
- Q1 2022 1.00%
- Q1 2023 1.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

- 2019/20 0.75%
- 2020/21 0.75%
- 2021/22 1.00%
- 2022/23 1.25%
- 2023/24 1.50%
- 2024/25 1.75%
- Later years 2.25%

The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.

The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside. In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

## 7.4 Investment treasury indicator and limit

Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

| Upper limit for principal sums invested for longer than 365 days |         |         |         |
|--|---------|---------|---------|
|  | 2020/21 | 2021/22 | 2022/23 |
| Principal sums invested for longer than 365 days                 | £2m     | £2m     | £2m     |

For its cash flow generated balances, the Council will seek to utilise its current account, call accounts and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

## 7.5 Specified and Non-Specified Investments

This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use, under the categories of 'specified' and 'non-specified' investments.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity.

An investment is a **specified investment** if all of the following apply:

- the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- the investment is not a long term investment (i.e. up to 365 days);
- the making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended];
- the investment is made with a body or in an investment scheme of high credit quality (i.e. a minimum credit rating as outlined in this strategy) or with one of the following public-sector bodies:
  - The United Kingdom Government;
  - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland;

As a result of the change in accounting standards for 2019/20 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

## 7.6 Creditworthiness Policy

The Treasury Management Strategy needs to set limits on the amount of money and the time period the Council can invest with any given counterparty. In order to do this the Council uses the Credit Rating given to the counterparty by the three main Credit Rating Agencies (Fitch, Moody's and Standard and Poor's). This forms part of the consistent risk based approach that is used across all of the financial strategies.

Treasury Officers regularly review both the investment portfolio and counterparty risk and make use of market data to inform their decision making. The officers are members of various benchmarking groups to ensure the investment portfolio is current and performing as other similar sized Local Authorities.

The Council as part of its due diligence in managing creditworthiness, uses amongst other information, a tool provided by treasury management advisors. This service employs a sophisticated modelling approach utilising credit ratings from the three credit rating agencies and by using a risk weighted scoring system, does not give undue reliance to just one agency's ratings.

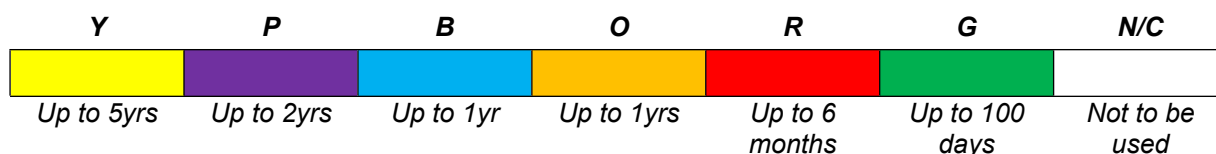
This modelling approach combines credit ratings with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This weighted scoring system then produces an end product of a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

The Council (in addition to other due diligence consideration) will use counterparties within the following durational bands provided they have a minimum AA+ sovereign rating from three rating agencies:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (*semi nationalised UK Bank – NatWest/RBS*)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour Not to be used



Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;

- It has sufficient liquidity in its investments.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of a treasury management advisors service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings, the Council will be advised of information re movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list. The counterparties in which the Council will invest its cash surpluses is based on officers assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market.

**Table 7** below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. Further details are contained in Appendix C.

### 7.7 Criteria for Specified Investments:

| <b>Table 7</b>   | <b>Country/<br/>Domicile</b>   | <b>Instrument</b>   | <b>Maximum<br/>investments</b> | <b>Max. maturity<br/>period</b> |                |
|--|--------------------------------|---|--------------------------------|---------------------------------|----------------|
| Debt Management and Deposit Facilities (DMADF)   | UK                             | Term Deposits (TD)  | unlimited                      | 1 yr                            |                |
| Government Treasury bills  | UK                             | TD  | unlimited                      | 1 yr                            |                |
| UK Local Authorities   | UK                             | TD  | £5m                            | 1 yr                            |                |
| Lloyds Banking Group<br>• Lloyds Bank<br>• Bank of Scotland                                | UK                             | TD (including callable deposits),<br><br>Certificate of Deposits (CD's) | £5m                            | 1 yr                            |                |
| RBS/NatWest Group<br>• Royal Bank of Scotland<br>• NatWest                                 | UK                             |   | £5m                            | 1 yr                            |                |
| HSBC   | UK                             |   | £5m                            | 1 yr                            |                |
| Barclays   | UK                             |   | £5m                            | 1 yr                            |                |
| Santander  | UK                             |   | £5m                            | 6 mths                          |                |
| Goldman Sachs Investment Bank  | UK                             |   | £5m                            | 6 mths                          |                |
| Standard Chartered Bank  | UK                             |   | £5m                            | 6 mths                          |                |
| Nationwide Building Society  | UK                             |   | £5m                            | 6 mths                          |                |
| Coventry Building Society  | UK                             |   | £5m                            | 6 mths                          |                |
| Individual Money Market Funds (MMF)  | UK/Ireland/<br>EU<br>domiciled |   | AAA rated Money Market Funds   | £10m                            | Instant access |
| <b>Counterparties in select countries (non-UK) with a Sovereign Rating of at least AA+</b> |                                |   |                                |                                 |                |
| Australia & New Zealand Banking Group  | Australia                      | TD / CD's   | £5m                            | 1 yr                            |                |

| <b>Table 7</b>                 | <b>Country/<br/>Domicile</b> | <b>Instrument</b> | <b>Maximum<br/>investments</b> | <b>Max. maturity<br/>period</b> |
|--------------------------------|------------------------------|-------------------|--------------------------------|---------------------------------|
| Commonwealth Bank of Australia | Australia                    | TD / CD's         | £5m                            | 1 yr                            |
| National Australia Bank        | Australia                    | TD / CD's         | £5m                            | 1 yr                            |
| Westpac Banking Corporation    | Australia                    | TD / CD's         | £5m                            | 1 yr                            |
| Royal Bank of Canada           | Canada                       | TD / CD's         | £5m                            | 1 yr                            |
| Toronto-Dominion Bank          | Canada                       | TD / CD's         | £5m                            | 1 yr                            |
| Development Bank of Singapore  | Singapore                    | TD / CD's         | £5m                            | 1 yr                            |
| Overseas Chinese Banking Corp  | Singapore                    | TD / CD's         | £5m                            | 1 yr                            |
| United Overseas Bank           | Singapore                    | TD / CD's         | £5m                            | 1 yr                            |
| Svenska Handelsbanken          | Sweden                       | TD / CD's         | £5m                            | 1 yr                            |
| Nordea Bank AB                 | Sweden                       | TD / CD's         | £5m                            | 1 yr                            |
| ABN Amro Bank                  | Netherlands                  | TD / CD's         | £5m                            | 1 yr                            |
| Cooperative Rabobank           | Netherlands                  | TD / CD's         | £5m                            | 1 yr                            |
| ING Bank NV                    | Netherlands                  | TD / CD's         | £5m                            | 1 yr                            |
| DZ Bank AG                     | Germany                      | TD / CD's         | £5m                            | 1 yr                            |
| UBS AG                         | Switzerland                  | TD / CD's         | £5m                            | 1 yr                            |
| Credit Suisse AG               | Switzerland                  | TD / CD's         | £5m                            | 1 yr                            |
| Danske Bank                    | Denmark                      | TD / CD's         | £5m                            | 1 yr                            |

**7.8 Non-Specified investments** are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in **Table 8** below:

| <b>Table 8</b>       | <b>Minimum credit criteria</b> | <b>Maximum<br/>investments</b> | <b>Period</b> |
|----------------------|--------------------------------|--------------------------------|---------------|
| UK Local Authorities | Government Backed              | £2m                            | 2 years       |

The maximum amount that can be invested will be monitored in relation to the Council surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer. A detailed list of specified and non-specified investments that form the counterparty list is shown in Appendix C.

**UK Local Authorities** - Should a suitable opportunity in the market occur to lend to other Local Authorities of more than a 1 year duration, at a reasonable level of return the deal would be classed as a low risk Non-Specified Investment.

### **7.9 Non treasury management investments**

This Council invests in non-treasury management (policy) investments. These do not form part of the treasury management strategy.

### **7.10 Risk and Sensitivity Analysis**

Treasury management risks are identified in the Council's approved Treasury Management Practices. The main risks to the Council's treasury activities are:

- liquidity risk (inadequate cash resources);
- market or interest rate risk (fluctuations in interest rate levels and thereby in the value of investments);
- inflation risks (exposure to inflation);
- credit and counterparty risk (security of investments);
- refinancing risks (impact of debt maturing in future years); and
- legal and regulatory risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

Treasury Officers, in conjunction with the treasury advisers, will monitor these risks closely and particular focus will be applied to:

- the global economy – indicators and their impact on interest rates will be monitored closely. Investment and borrowing portfolios will be positioned according to changes in the global economic climate;
- Counterparty risk – the Council follows a robust credit worthiness methodology and continues to monitor counterparties and sovereign ratings closely particularly within the Eurozone.

### **7.11 Lending to third parties**

The Council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken. Loans of this nature will be approved by Cabinet. The primary aims of the Investment Strategy are the security of its capital, liquidity of its capital and to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan. In order to ensure security of the Council's capital, extensive financial due diligence must be completed prior to any loan or investment being agreed. The Council will use specialist advisors to complete financial checks to ascertain the creditworthiness of the third party. Where deemed necessary, additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company.

## 8. ANNUAL MINIMUM REVENUE PROVISION/POLICY STATEMENT – 2020/21

The statutory requirement for local authorities to charge the Revenue Account each year with a specific sum for debt repayment. A variety of options is provided to councils to determine for the financial year an amount of minimum revenue provision (MRP) that it considers to be prudent. This replaces the previous requirement that the minimum sum should be 4% of the Council's Capital Financing Requirement (CFR).

A Statement on the Council's policy for its annual MRP should be submitted to the Full Council for approval before the start the financial year to which the provision relate. The Council is therefore legally obliged to have regard to CLG MRP guidance in the same way as applies to other statutory guidance such as the CIPFA Prudential Code, the CIPFA Treasury Management Code and the CLG guidance on Investments.

The MRP guidance offers four options under which MRP might be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

The guidance also requires an annual review of MRP policy being undertaken and it is appropriate that this is done as part of this annual Treasury Management Policy and Strategy. The International Financial Reporting Standards (IFRS) involves some leases (being reclassified as finance leases instead of operating leases) coming onto the Council's Balance Sheet as long term liabilities. This accounting treatment impacts on the Capital Financing Requirement with an annual MRP provision being required. To ensure that this change has no overall financial impact on Local Authorities, the Government has updated their "Statutory MRP Guidance" which allows MRP to be equivalent to the existing lease rental payments and "capital repayment element" of annual payments.

The policy from 2020/21 and in future years is therefore as follows:-

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP options are:

Either

- Existing practice - MRP will follow the existing practice outlined in former MHCLG regulations (option 1); or
- Based on CFR – MRP will be based on the CFR (option 2);

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy options are:

- Asset life method – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);
- Depreciation method – MRP will follow standard depreciation accounting procedures (option 4).

These options provide for a reduction in the borrowing need over approximately the asset's life. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place). Repayments included in annual PFI or finance leases are applied as

MRP. It is important to note that changes in the Local Government Financial Regulations means that in the future operating leases will be treated in a manner consistent with financial leases.

For loans to third parties that are being used to fund expenditure that is classed as capital in nature, the policy will be to set aside the repayments of principal as capital receipts to finance the initial capital advance in lieu of making an MRP.

In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure.

This approach also allows the Council to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending. This approach is beneficial for projects that take more than one year to complete and is therefore included as part of the MRP policy.

Half-yearly review of the Council's MRP Policy will be undertaken and reported to Members as part of the Mid-Year Treasury Management Strategy report.



## **9. SCHEME OF DELEGATION**

### **9.1 Full Council**

In line with best practice, Full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are:

#### **i. Treasury Management Policy and Strategy Report**

The report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

#### **ii. A Mid-Year Review Report and a Year End Stewardship Report**

These will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the treasury strategy is meeting the strategy or whether any policies require revision. The reports also provide details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### **9.2 Cabinet**

- Approval of the Treasury Management quarterly update reports;
- Approval of the Treasury Management outturn report.

### **9.3 Lewes District Council Audit and Standards Committee**

- Scrutiny of performance against the strategy.

### **9.4 Training**

Treasury Management training for committee members will be delivered as required to facilitate more informed decision making and challenge processes. The Council further acknowledges the importance of ensuring that all Members and staff involved in the treasury management function receive adequate training and are fully equipped to undertake the duties and responsibilities allocated to them. In order to assist with this undertaking, a Member training event was provided on 22 January 2020 and similar events will be provided when required. Officers will continue to attend courses/seminars presented by CIPFA and other suitable professional organisations.

## **10. OTHER TREASURY ISSUES**

### **10.1 Banking Services**

Lloyds, which is part Government owned, currently provides banking services for the Council.

### **10.2 Policy on the use of External Service Providers**

The Council uses Arlingclose Limited as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

### The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer-

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

Role extended by the revised CIPFA Treasury Management and Prudential Codes 2017as set out below.

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.

## APPENDIX 'C' - COUNTERPARTY LIST 2020/21

| 2020/21 Counterparty/Bank List                  | Fitch Rating<br>Long Term<br>Status | Long<br>Term | Short<br>Term | Viability | Moody's Ratings<br>Long<br>Term<br>Status | Long<br>Term | Short<br>Term | S&P Ratings<br>Long Term<br>Status | Long<br>Term | Short<br>Term | Suggested<br>Link Duration | EBC<br>Duration | CDS<br>Price | Invest.<br>Limit |
|---|-------------------------------------|--------------|---------------|-----------|---|--------------|---------------|------------------------------------|--------------|---------------|----------------------------|-----------------|--------------|------------------|
| <b>Australia</b>                                | SB                                  | AAA          |               |           | SB  | Aaa          |               | SB                                 | AAA          |               | Not Applicable             | Not Applicable  |              |                  |
| Australia and New Zealand Banking Group Ltd.    | NO                                  | AA-          | F1+           | aa-       | SB  | Aa3          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     | 30.70        | £5               |
| Commonwealth Bank of Australia                  | NO                                  | AA-          | F1+           | aa-       | SB  | Aa3          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     | 32.65        | £5               |
| Macquarie Bank Ltd.                             | SB                                  | A            | F1            | a         | SB  | A2           | P-1           | SB                                 | A+           | A-1           | R - 6 mths                 | R - 6 mths      |              | £5               |
| National Australia Bank Ltd.                    | NO                                  | AA-          | F1+           | aa-       | SB  | Aa3          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     | 32.65        | £5               |
| Westpac Banking Corp.                           | NO                                  | AA-          | F1+           | aa-       | SB  | Aa3          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     | 38.54        | £5               |
| <b>Belgium</b>                                  | SB                                  | AA-          |               |           | SB  | Aa3          |               | SB                                 | AA           |               | Not Applicable             | Not Applicable  |              |                  |
| BNP Paribas Fortis                              | SB                                  | A+           | F1            | a         | SB  | A1           | P-1           | SB                                 | A+           | A-1           | R - 6 mths                 | R - 6 mths      |              | £5               |
| KBC Bank N.V.                                   | SB                                  | A+           | F1            | a         | SB  | Aa3          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     |              | £5               |
| <b>Canada</b>                                   | SB                                  | AAA          |               |           | SB  | Aaa          |               | SB                                 | AAA          |               | Not Applicable             | Not Applicable  |              |                  |
| Bank of Montreal                                | SB                                  | AA-          | F1+           | aa-       | SB  | Aa2          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     |              | £5               |
| Bank of Nova Scotia                             | SB                                  | AA-          | F1+           | aa-       | SB  | Aa2          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     |              | £5               |
| Canadian Imperial Bank of Commerce              | SB                                  | AA-          | F1+           | aa-       | SB  | Aa2          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     |              | £5               |
| National Bank of Canada                         | SB                                  | A+           | F1            | a+        | SB  | Aa3          | P-1           | SB                                 | A            | A-1           | R - 6 mths                 | R - 6 mths      |              |                  |
| Royal Bank of Canada                            | SB                                  | AA           | F1+           | aa        | SB  | Aa2          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     |              | £5               |
| Toronto-Dominion Bank                           | SB                                  | AA-          | F1+           | aa-       | SB  | Aa1          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     |              | £5               |
| <b>Denmark</b>                                  | SB                                  | AAA          |               |           | SB  | Aaa          |               | SB                                 | AAA          |               | Not Applicable             | Not Applicable  |              |                  |
| Danske A/S                                      | NO                                  | A            | F1            | a         | NO  | A2           | P-1           | SB                                 | A            | A-1           | R - 6 mths                 | R - 6 mths      | 31.50        | £5               |
| <b>Finland</b>                                  | PO                                  | AA+          |               |           | SB  | Aa1          |               | SB                                 | AA+          |               | Not Applicable             | Not Applicable  |              |                  |
| Nordea Bank Abp                                 | NO                                  | AA-          | F1+           | aa-       | SB  | Aa3          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     |              | £5               |
| OP Corporate Bank plc                           |                                     | WD           | WD            |           | SB  | Aa3          | P-1           | SB                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     |              | £5               |
| <b>France</b>                                   | SB                                  | AA           |               |           | PO  | Aa2          |               | SB                                 | AA           |               | Not Applicable             | Not Applicable  |              |                  |
| BNP Paribas                                     | SB                                  | A+           | F1            | a+        | SB  | Aa3          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     | 26.28        | £5               |
| Credit Agricole Corporate and Investment Bank   | SB                                  | A+           | F1            | WD        | SB  | Aa3          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     | 20.42        | £5               |
| Credit Agricole S.A.                            | SB                                  | A+           | F1            | a+        | SB  | Aa3          | P-1           | SB                                 | A+           | A-1           | O - 12 mths                | O - 12 mths     | 24.30        | £5               |
| Credit Industriel et Commercial                 | SB                                  | A+           | F1            | a+        | SB  | Aa3          | P-1           | SB                                 | A            | A-1           | R - 6 mths                 | R - 6 mths      |              | £5               |
| Societe Generale                                | SB                                  | A            | F1            | a         | SB  | A1           | P-1           | PO                                 | A            | A-1           | R - 6 mths                 | R - 6 mths      | 28.04        | £5               |
| <b>Germany</b>                                  | SB                                  | AAA          |               |           | SB  | Aaa          |               | SB                                 | AAA          |               | Not Applicable             | Not Applicable  |              |                  |
| Bayerische Landesbank                           | SB                                  | A-           | F1            | bbb+      | SB  | Aa3          | P-1           |                                    | NR           | NR            | R - 6 mths                 | R - 6 mths      |              | £5               |
| Commerzbank AG                                  | NO                                  | BBB+         | F1            | bbb+      | SB  | A1           | P-1           | NO                                 | A-           | A-2           | G - 100 days               | G - 100 days    | 40.09        | £5               |
| Deutsche Bank AG                                | EO                                  | BBB          | F2            | bbb       | NO  | A3           | P-2           | SB                                 | BBB+         | A-2           | N/C - 0 mths               | N/C - 0 mths    |              |                  |
| DZ BANK AG Deutsche Zentral-Genossenschaftsbank | SB                                  | AA-          | F1+           |           | NO  | Aa1          | P-1           | NO                                 | AA-          | A-1+          | O - 12 mths                | O - 12 mths     |              | £5               |
| Landesbank Baden-Wuerttemberg                   | SB                                  | A-           | F1            | bbb+      | SB  | Aa3          | P-1           |                                    | NR           | NR            | R - 6 mths                 | R - 6 mths      |              | £5               |
| Landesbank Berlin AG                            |                                     |              |               |           | SB  | Aa2          | P-1           |                                    |              |               | O - 12 mths                | O - 12 mths     |              | £5               |
| Landesbank Hessen-Thuringen Girozentrale        | SB                                  | A+           | F1+           |           | SB  | Aa3          | P-1           | SB                                 | A            | A-1           | O - 12 mths                | O - 12 mths     | 50.14        | £5               |
| Landwirtschaftliche Rentenbank                  | SB                                  | AAA          | F1+           |           | SB  | Aaa          | P-1           | SB                                 | AAA          | A-1+          | P - 24 mths                | P - 24 mths     |              | £5               |
| Norddeutsche Landesbank Girozentrale            | NW                                  | A-           | F1            | f         | PW  | Baa2         | P-2           |                                    | NR           | NR            | N/C - 0 mths               | N/C - 0 mths    |              |                  |
| NRW.BANK  | SB                                  | AAA          | F1+           |           | SB  | Aa1          | P-1           | SB                                 | AA           | A-1+          | P - 24 mths                | P - 24 mths     |              | £5               |

| 2020/21 Counterparty/Bank List                 | Fitch Rating<br>Long Term Status | Long Term | Short Term | Viability | Moody's Ratings<br>Long Term Status | Long Term | Short Term | S&P Ratings<br>Long Term Status | Long Term | Short Term | Suggested Link Duration | EBC Duration   | CDS Price | Invest. Limit |
|--|----------------------------------|-----------|------------|-----------|-------------------------------------|-----------|------------|---------------------------------|-----------|------------|-------------------------|----------------|-----------|---------------|
| <b>Netherlands</b>                             | SB                               | AAA       |            |           | SB                                  | Aaa       |            | SB                              | AAA       |            | Not Applicable          | Not Applicable |           |               |
| ABN AMRO Bank N.V.                             | NO                               | A+        | F1         | a         | SB                                  | A1        | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     |           | £5            |
| Bank Nederlandse Gemeenten N.V.                | SB                               | AAA       | F1+        |           | SB                                  | Aaa       | P-1        | SB                              | AAA       | A-1+       | P - 24 mths             | P - 24 mths    |           | £5            |
| Cooperatieve Rabobank U.A.                     | NO                               | AA-       | F1+        | a+        | SB                                  | Aa3       | P-1        | SB                              | A+        | A-1        | O - 12 mths             | O - 12 mths    | 19.53     | £5            |
| ING Bank N.V.                                  | SB                               | AA-       | F1+        | a+        | SB                                  | Aa3       | P-1        | SB                              | A+        | A-1        | O - 12 mths             | O - 12 mths    | 19.52     | £5            |
| Nederlandse Waterschapsbank N.V.               |                                  |           |            |           | SB                                  | Aaa       | P-1        | SB                              | AAA       | A-1+       | P - 24 mths             | P - 24 mths    |           | £5            |
| <b>Qatar</b>                                   | SB                               | AA-       |            |           | SB                                  | Aa3       |            | SB                              | AA-       |            | Not Applicable          | Not Applicable |           |               |
| Qatar National Bank                            | SB                               | A+        | F1         | bbb+      | SB                                  | Aa3       | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     | 72.94     | £5            |
| <b>Singapore</b>                               | SB                               | AAA       |            |           | SB                                  | Aaa       |            | SB                              | AAA       |            | Not Applicable          | Not Applicable |           |               |
| DBS Bank Ltd.                                  | SB                               | AA-       | F1+        | aa-       | SB                                  | Aa1       | P-1        | SB                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| Oversea-Chinese Banking Corp. Ltd.             | SB                               | AA-       | F1+        | aa-       | SB                                  | Aa1       | P-1        | SB                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| United Overseas Bank Ltd.                      | SB                               | AA-       | F1+        | aa-       | SB                                  | Aa1       | P-1        | SB                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| <b>Sweden</b>                                  | SB                               | AAA       |            |           | SB                                  | Aaa       |            | SB                              | AAA       |            | Not Applicable          | Not Applicable |           |               |
| Skandinaviska Enskilda Banken AB               | SB                               | AA-       | F1+        | aa-       | SB                                  | Aa2       | P-1        | SB                              | A+        | A-1        | O - 12 mths             | O - 12 mths    |           | £5            |
| Svenska Handelsbanken AB                       | SB                               | AA        | F1+        | aa        | SB                                  | Aa2       | P-1        | SB                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| Swedbank AB                                    | NW                               | AA-       | F1+        | aa-       | NO                                  | Aa2       | P-1        | NO                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| <b>Switzerland</b>                             | SB                               | AAA       |            |           | SB                                  | Aaa       |            | SB                              | AAA       |            | Not Applicable          | Not Applicable |           |               |
| Credit Suisse AG                               | PO                               | A         | F1         | a-        | PO                                  | A1        | P-1        | SB                              | A+        | A-1        | R - 6 mths              | R - 6 mths     | 44.50     | £5            |
| UBS AG   | SB                               | AA-       | F1+        | a+        | SB                                  | Aa2       | P-1        | SB                              | A+        | A-1        | O - 12 mths             | O - 12 mths    | 24.47     | £5            |
| <b>United Arab Emirates</b>                    | SB                               | AA        |            |           | SB                                  | Aa2       |            | SB                              | AA        |            | Not Applicable          | Not Applicable |           |               |
| First Abu Dhabi Bank PJSC                      | SB                               | AA-       | F1+        | a-        | SB                                  | Aa3       | P-1        | SB                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| <b>United Kingdom</b>                          | NW                               | AA        |            |           | NO                                  | Aa2       |            | NO                              | AA        |            | Not Applicable          | Not Applicable |           |               |
| Abbey National Treasury Services PLC           | NW                               | A         | F1         |           | NO                                  | Aa3       | P-1        |                                 |           |            | R - 6 mths              | R - 6 mths     |           | £5            |
| Bank of Scotland PLC (RFB)                     | NW                               | A+        | F1         | a         | NO                                  | Aa3       | P-1        | SB                              | A+        | A-1        | O - 12 mths             | O - 12 mths    | 35.01     | £5            |
| Barclays Bank PLC (NRFB)                       | NW                               | A+        | F1         | a         | PO                                  | A2        | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     | 43.32     | £5            |
| Barclays Bank UK PLC (RFB)                     | NW                               | A+        | F1         | a         | NO                                  | A1        | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     |           | £5            |
| Close Brothers Ltd                             | NW                               | A         | F1         | a         | NO                                  | Aa3       | P-1        |                                 |           |            | R - 6 mths              | R - 6 mths     |           | £5            |
| Clydesdale Bank PLC                            | NW                               | A-        | F2         | bbb+      | SB                                  | Baa1      | P-2        | SB                              | BBB+      | A-2        | N/C - 0 mths            | N/C - 0 mths   |           |               |
| Co-operative Bank PLC (The)                    | NW                               | B         | B          | b         | PO                                  | B3        | NP         |                                 |           |            | N/C - 0 mths            | N/C - 0 mths   |           |               |
| Goldman Sachs International Bank               | SB                               | A         | F1         |           | SB                                  | A1        | P-1        | SB                              | A+        | A-1        | R - 6 mths              | R - 6 mths     | 51.72     | £5            |
| Handelsbanken Plc                              | SB                               | AA        | F1+        |           |                                     |           |            | SB                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| HSBC Bank PLC (NRFB)                           | NW                               | A+        | F1+        | a         | SB                                  | Aa3       | P-1        | NO                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    | 30.73     | £5            |
| HSBC UK Bank Plc (RFB)                         | NW                               | A+        | F1+        | a         |                                     |           |            | NO                              | AA-       | A-1+       | O - 12 mths             | O - 12 mths    |           | £5            |
| Lloyds Bank Corporate Markets Plc (NRFB)       | NW                               | A         | F1         |           | SB                                  | A1        | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     |           | £5            |
| Lloyds Bank Plc (RFB)                          | NW                               | A+        | F1         | a         | NO                                  | Aa3       | P-1        | SB                              | A+        | A-1        | O - 12 mths             | O - 12 mths    | 34.49     | £5            |
| NatWest Markets Plc (NRFB)                     | NW                               | A         | F1         | WD        | PO                                  | Baa2      | P-2        | SB                              | A-        | A-2        | G - 100 days            | G - 100 days   | 56.45     | £5            |
| Santander UK PLC                               | NW                               | A+        | F1         | a         | NO                                  | Aa3       | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     |           | £5            |
| Standard Chartered Bank                        | SB                               | A+        | F1         | a         | SB                                  | A1        | P-1        | SB                              | A         | A-1        | R - 6 mths              | R - 6 mths     | 29.88     | £5            |
| Sumitomo Mitsui Banking Corporation Europe Ltd | SB                               | A         | F1         |           | SB                                  | A1        | P-1        | PO                              | A         | A-1        | R - 6 mths              | R - 6 mths     | 35.29     | £5            |
| Coventry Building Society                      | NW                               | A-        | F1         | a-        | NO                                  | A2        | P-1        |                                 |           |            | R - 6 mths              | R - 6 mths     |           | £5            |

| 2020/21 Counterparty/Bank List       | Fitch Rating     | Long Term | Short Term | Viability | Moody's Ratings  | Long Term | Short Term | S&P Ratings      | Long Term | Short Term | Suggested Link Duration | EBC Duration   | CDS Price | Invest. Limit |
|--------------------------------------|------------------|-----------|------------|-----------|------------------|-----------|------------|------------------|-----------|------------|-------------------------|----------------|-----------|---------------|
|                                      | Long Term Status |           |            |           | Long Term Status |           |            | Long Term Status |           |            |                         |                |           |               |
| Leeds Building Society               | NW               | A-        | F1         | a-        | NO               | A3        | P-2        |                  |           |            | G - 100 days            | G - 100 days   |           | £5            |
| Nationwide Building Society          | NW               | A         | F1         | a         | NO               | Aa3       | P-1        | PO               | A         | A-1        | R - 6 mths              | R - 6 mths     |           | £5            |
| Nottingham Building Society          |                  |           |            |           | NO               | Baa1      | P-2        |                  |           |            | N/C - 0 mths            | N/C - 0 mths   |           |               |
| Principality Building Society        | NW               | BBB+      | F2         | bbb+      | SB               | Baa2      | P-2        |                  |           |            | N/C - 0 mths            | N/C - 0 mths   |           |               |
| Skipton Building Society             | NW               | A-        | F1         | a-        | SB               | Baa1      | P-2        |                  |           |            | G - 100 days            | G - 100 days   |           | £5            |
| West Bromwich Building Society       |                  |           |            |           | PO               | Ba3       | NP         |                  |           |            | N/C - 0 mths            | N/C - 0 mths   |           |               |
| Yorkshire Building Society           | NW               | A-        | F1         | a-        | NO               | A3        | P-2        |                  |           |            | G - 100 days            | G - 100 days   |           | £5            |
| National Westminster Bank PLC (RFB)  | NW               | A+        | F1         | a         | PO               | A1        | P-1        | SB               | A         | A-1        | B - 12 mths             | B - 12 mths    |           | £5            |
| The Royal Bank of Scotland Plc (RFB) | NW               | A+        | F1         | a         | PO               | A1        | P-1        | SB               | A         | A-1        | B - 12 mths             | B - 12 mths    |           | £5            |
| <b>United States</b>                 | SB               | AAA       |            |           |                  | Aaa       |            | SB               | AA+       |            | Not Applicable          | Not Applicable | 8.23      |               |
| Bank of America N.A.                 | SB               | AA-       | F1+        | a+        | SB               | Aa2       | P-1        | SB               | A+        | A-1        | O - 12 mths             | O - 12 mths    |           | £5            |
| Bank of New York Mellon, The         | SB               | AA        | F1+        | aa-       | SB               | Aa1       | P-1        | SB               | AA-       | A-1+       | P - 24 mths             | P - 24 mths    | 40.35     | £5            |
| Citibank N.A.                        | SB               | A+        | F1         | a         | SB               | Aa3       | P-1        | SB               | A+        | A-1        | O - 12 mths             | O - 12 mths    | 42.58     | £5            |
| JPMorgan Chase Bank N.A.             | SB               | AA        | F1+        | aa-       | SB               | Aa1       | P-1        | SB               | A+        | A-1        | O - 12 mths             | O - 12 mths    |           | £5            |
| Wells Fargo Bank, NA                 | SB               | AA-       | F1+        | a+        | SB               | Aa1       | P-1        | SB               | A+        | A-1        | O - 12 mths             | O - 12 mths    | 36.08     | £5            |

| Yellow     | Purple     | Blue  | Orange    | Red            | Green          | No Colour      |
|------------|------------|---|-----------|----------------|----------------|----------------|
| Up to 5yrs | Up to 2yrs | Up to 1yr (semi nationalised UK bank NatWest/RBS) | Up to 1yr | Up to 6 months | Up to 100 days | Not to be used |

**Watches and Outlooks:** SB- Stable Outlook; NO- Negative Outlook; NW- Negative Watch; PO- Positive Outlook; PW- Positive Watch; EO- Evolving Outlook; EW- Evolving Watch; WD- Rating Withdrawn.

| Non-Specified Investments: |                         |                     |         |
|----------------------------|-------------------------|---------------------|---------|
|                            | Minimum credit Criteria | Maximum Investments | Period  |
| UK Local Authorities       | Government Backed       | £2m                 | 2 years |

### Arlingclose Economic & Interest Rate Forecast November 2019

The Arlingclose Economic & Interest Rate Forecast and underlying assumptions are:

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

#### Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

|                                  | Dec-19      | Mar-20      | Jun-20      | Sep-20      | Dec-20      | Mar-21      | Jun-21      | Sep-21      | Dec-21      | Mar-22      | Jun-22      | Sep-22      | Dec-22      | Average     |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Official Bank Rate</b>        |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.00        | 0.00        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.21        |
| <b>Arlingclose Central Case</b>  | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> |
| Downside risk                    | -0.50       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.73       |
| <b>3-month money market rate</b> |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.10        | 0.10        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.30        | 0.30        | 0.30        | 0.30        | 0.30        | 0.25        |
| <b>Arlingclose Central Case</b>  | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> | <b>0.75</b> |
| Downside risk                    | -0.50       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.75       | -0.73       |
| <b>1yr money market rate</b>     |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.10        | 0.20        | 0.20        | 0.20        | 0.20        | 0.20        | 0.20        | 0.25        | 0.30        | 0.30        | 0.30        | 0.30        | 0.30        | 0.23        |
| <b>Arlingclose Central Case</b>  | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> | <b>0.85</b> |
| Downside risk                    | -0.30       | -0.50       | -0.55       | -0.65       | -0.65       | -0.65       | -0.65       | -0.65       | -0.65       | -0.65       | -0.65       | -0.65       | -0.65       | -0.60       |
| <b>5yr gilt yield</b>            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.30        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.40        | 0.45        | 0.45        | 0.45        | 0.37        |
| <b>Arlingclose Central Case</b>  | <b>0.50</b> | <b>0.50</b> | <b>0.50</b> | <b>0.55</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.60</b> | <b>0.57</b> |
| Downside risk                    | -0.35       | -0.50       | -0.50       | -0.55       | -0.60       | -0.60       | -0.60       | -0.60       | -0.60       | -0.60       | -0.60       | -0.60       | -0.60       | -0.56       |
| <b>10yr gilt yield</b>           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.30        | 0.30        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.40        | 0.40        | 0.45        | 0.45        | 0.37        |
| <b>Arlingclose Central Case</b>  | <b>0.75</b> | <b>0.75</b> | <b>0.80</b> | <b>0.80</b> | <b>0.85</b> | <b>0.85</b> | <b>0.90</b> | <b>0.90</b> | <b>0.95</b> | <b>0.95</b> | <b>1.00</b> | <b>1.00</b> | <b>1.00</b> | <b>0.88</b> |
| Downside risk                    | -0.40       | -0.40       | -0.40       | -0.40       | -0.45       | -0.45       | -0.45       | -0.45       | -0.50       | -0.50       | -0.50       | -0.50       | -0.50       | -0.45       |
| <b>20yr gilt yield</b>           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.30        | 0.30        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.40        | 0.40        | 0.45        | 0.45        | 0.37        |
| <b>Arlingclose Central Case</b>  | <b>1.20</b> | <b>1.20</b> | <b>1.25</b> | <b>1.25</b> | <b>1.25</b> | <b>1.30</b> | <b>1.30</b> | <b>1.30</b> | <b>1.35</b> | <b>1.35</b> | <b>1.35</b> | <b>1.40</b> | <b>1.40</b> | <b>1.30</b> |
| Downside risk                    | -0.40       | -0.40       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.50       | -0.50       | -0.45       |
| <b>50yr gilt yield</b>           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                      | 0.30        | 0.30        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.35        | 0.40        | 0.40        | 0.45        | 0.45        | 0.37        |
| <b>Arlingclose Central Case</b>  | <b>1.20</b> | <b>1.20</b> | <b>1.25</b> | <b>1.25</b> | <b>1.25</b> | <b>1.30</b> | <b>1.30</b> | <b>1.30</b> | <b>1.35</b> | <b>1.35</b> | <b>1.35</b> | <b>1.40</b> | <b>1.40</b> | <b>1.30</b> |
| Downside risk                    | -0.40       | -0.40       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.45       | -0.50       | -0.50       | -0.45       |

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

## Capital Strategy

### 1) Introduction

- 1.1 This Capital Strategy is a new report for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in Lewes District Council (LDC), along with an overview of how associated risk is managed and the implications for future financial sustainability. It has purposely been written in an accessible style to enhance understanding of what can be very technical areas.

### 2. Capital Expenditure and Financing

#### 2.1 Expenditure

- 2.1.1 Capital expenditure occurs when the Council spends money on assets such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below a de minimis level are not capitalised and are charged to revenue in year.
- 2.1.2 Further details on the Council's capitalisation policy can be found in the 2018/19 Statement of Accounts.
- 2.1.3 In 2020/21, LDC is planning capital expenditure of £44.6 million (and £43.6 million over the next two years) as summarised in Table 1 below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure*

| Capital Expenditure                              | 2019/20 budget | 2020/21 budget | 2021/22 budget | 2022/23 budget |
|--|----------------|----------------|----------------|----------------|
|  | £m             | £m             | £m             | £m             |
| General Fund Services                            | 2.4            | 26.7           | 6.1            | 1.7            |
| Council Housing (HRA)                            | 7.0            | 15.5           | 15.3           | 15.8           |
| Commercial Activities/ non-financial investments | 5.6            | 2.4            | 2.4            | 2.4            |
| <b>TOTAL</b>                                     | <b>15.0</b>    | <b>44.6</b>    | <b>23.8</b>    | <b>19.8</b>    |

- 2.1.4 The main General Fund capital projects scheduled for 2020/21 are as follows:
- Commercial Property acquisitions and developments
  - North Street Quarter
  - Asset Development - Newhaven
  - Asset Development – Seaford
- 2.1.5 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that the Council's housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.



## 2.2 Governance

- 2.2.1 The evaluation, prioritisation and acceptance of capital schemes onto the Capital Programme is carried out in accordance with strict criteria that ensures that added schemes reflect Council priorities and can be delivered within available resources (e.g. due priority is given to schemes yielding savings and/or generating income as well as meeting a Council priority).
- 2.2.2 The draft Capital Programme is then subject to formal Scrutiny prior to setting the budget (followed by Cabinet and full Council approval).

## 2.3 Financing

- 2.3.1 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is presented in Table 2 below.

*Table 2: Capital Financing*

|                  | 2019/20<br>budget | 2020/21<br>budget | 2021/22<br>budget | 2022/23<br>budget |
|------------------|-------------------|-------------------|-------------------|-------------------|
|                  | £m                | £m                | £m                | £m                |
| External sources | 1.0               | 1.0               | 1.0               | 1.0               |
| Own resources    | 8.9               | 16.5              | 10.3              | 8.6               |
| Debt             | 5.1               | 27.1              | 12.6              | 10.2              |
| <b>TOTAL</b>     | <b>15.0</b>       | <b>44.6</b>       | <b>23.8</b>       | <b>19.8</b>       |

- 2.3.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as "Minimum Revenue Provision" (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are presented in Table 3 below.

*Table 3: Repayment of Debt Finance*

|               | 2019/20<br>budget | 2020/21<br>budget | 2021/22<br>budget | 2022/23<br>budget |
|---------------|-------------------|-------------------|-------------------|-------------------|
|               | £m                | £m                | £m                | £m                |
| Own resources | 0.094             | 0.286             | 1.195             | 1.231             |

- 2.3.3 The Council's annual MRP statement can be found within Appendix A (Section 8) above.
- 2.3.4 The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £26.8 million in 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is presented in Table 4 below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)

|                       | 31.3.2020<br>budget | 31.3.2021<br>budget | 31.3.2022<br>budget | 31.3.2023<br>budget |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
|                       | £m                  | £m                  | £m                  | £m                  |
| General Fund services | 6.8                 | 29.5                | 30.4                | 31.2                |
| Council housing (HRA) | 66.0                | 68.3                | 77.0                | 82.6                |
| Capital investments   | 14.2                | 16.0                | 17.8                | 19.6                |
| <b>TOTAL CFR</b>      | <b>87.1</b>         | <b>113.9</b>        | <b>125.2</b>        | <b>134.2</b>        |

### 3. Asset Management

#### 3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially in a rapidly changing operational and technological backdrop. Consequently, at the time of preparing this Capital Strategy, a new Asset Management Strategy (AMS) is under development. Led by the Asset Management team and backed by a comprehensive review of Council assets, the AMS will take a longer-term view comprising:

- ‘Good’ information about existing assets;
- The optimal asset base for the efficient delivery of Council objectives;
- The gap between existing assets and optimal assets;
- Strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

#### 3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds (known as capital receipts) can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council takes a prudent approach of assuming future capital receipts only when there is a high probability of realisation.

### 4. Treasury Management

#### 4.1 Introduction

4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is not cash rich as it utilises all of its available cash before borrowing which in the current climate is more economic.

4.1.2 As at 31 December the Council had borrowing of £109.0 million at an average interest rate of 2.83% and cash balances of £5.0 million held on an interest bearing current account at a rate of 0.65%.

## 4.2 Borrowing

4.2.1 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

4.2.2 Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are shown below in Table 6, compared with the Capital Financing Requirement (Table 4 above).

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement*

|                               | 31.3.2020<br>budget | 31.3.2021<br>budget | 31.3.2022<br>budget | 31.3.2023<br>budget |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
|                               | £m                  | £m                  | £m                  | £m                  |
| Debt (incl. leases)           | 61.8                | 88.9                | 101.4               | 111.7               |
| Capital Financing Requirement | 87.1                | 113.9               | 125.2               | 134.2               |

4.2.3 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this in the medium term.

### Affordable Borrowing Limit

4.2.4 The Council is legally obliged to set an affordable borrowing limit (also termed the "Authorised Limit" for external debt) each year. In line with statutory guidance, a lower "Operational Boundary" is also set as a warning level should debt approach the limit.

*Table 7: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt*

|  | 2019/20<br>limit | 2020/21<br>limit | 2021/22<br>limit | 2022/23<br>limit |
|--|------------------|------------------|------------------|------------------|
|  | £000's           | £000's           | £000's           | £000's           |
| Authorised limit – total external debt     | 127.7            | 132.0            | 132.0            | 142.0            |
| Operational boundary – total external debt | 117.7            | 122.0            | 122.0            | 132.0            |

4.2.5 Further details on borrowing are contained in the Treasury Management Strategy.

## 4.3 Investments

4.3.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

### (Treasury Management) Investment Strategy

4.3.2 The Council's Investment Strategy is to prioritise security and liquidity over yield; focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely in selected high-quality banks, to minimise the risk of loss.

#### **4.4 Governance**

4.4.1 Treasury management decisions are made on a daily basis and are therefore delegated to the CFO, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on treasury management are also approved by the Council (following recommendation from Audit and Governance Committee), whereas mid-year updates are reported exclusively to the Audit and Governance Committee. Quarterly performance reports are also submitted to Cabinet.

#### **5. Investments for Service Purposes**

5.1 The Council will sometimes make investments for service delivery purposes where there is a strategic case for doing so, for example the new Waste Company. Given its public service objectives, the Council is willing to take more risk than with treasury investments, nevertheless the arrangements feature cost reduction incentives, from which the Council will benefit.

#### Governance

5.2 Decisions on service investments are made by the Council's Cabinet and require the support of a full business case.

#### **6. Commercial Investments**

6.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition. In the context of the Capital Strategy, the council is using capital to invest in property to provide a positive surplus/financial return.

6.1.2 The council may fund the purchase of the property by borrowing money, normally from the Debt Management Office as part of HM Treasury. The rental income paid by the tenant should exceed the cost of repaying the borrowed money each year. The annual surplus then supports the council's budget position, and enables the council to continue to provide services for local people. The reasons for buying and owning property investments are primarily

- Financial returns to fund services to residents
- Market and economic opportunity.
- Economic development and regeneration activity in the Borough.

6.1.3 Historically, property has provided strong investment returns in terms of capital growth generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. The strategy makes it clear that the council will continue to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process.

## **6.2 Current Investments**

6.2.1 In recent years, the Council has invested in commercial property in the borough on a selective basis, usually where there is a fit with corporate priorities and a positive financial return that can be used to contribute towards the protection of local services.

## **6.3 Commercial Investment Strategy**

6.3.1 However, in recognition of the continued shortfall in local government funding and commitments, the Council will (following the February Cabinet approval) have in a Commercial Investment Strategy with a view to achieving a step change increase in commercial investment and trading by the Council.

6.3.2 CIPFA's guidance on borrowing to invest follows the MHCLG's concern at what they perceive to be, the increasing risk taken on by local authorities following a sharp increase in Public Works Loan Board (PWLB) borrowing by councils to invest in commercial property. CIPFA has made clear that Councils should not borrow to invest commercially and their Capital Investment Strategy must make it clear as to where they depart from this principle and why. However, it has been recognised that local investments that are primarily designed for regeneration or service delivery purposes and which have a knock-on positive impact to the revenue budgets are not intended to be covered by this principle.

6.3.3 Councils have to demonstrate that such investments are "proportionate" to their resources. The Council's approach will incorporate the CIPFA guidance when it is published; this will enhance the other risk management features that are being developed; this includes a strict governance framework, the use of real estate investment experts and diversified portfolios. The aim is to offset principle risks such as falling capital values and 'voids'. However, (within a tightly controlled framework) the Council ultimately accepts a higher risk on commercial investments compared to its prudent treasury investment that has primarily focused to date on protecting the principal.

6.3.4 The Council considers investing in housing properties and commercial investments within the borough to be related to its temporary accommodation strategy and local regeneration. It will invest commercially but in relation to the services it provides or to build and strengthen the local economy, with the related benefit of increased business rates.

## **6.4 Governance**

6.4.1 The Governance arrangements are stipulated within the Commercial Investment Strategy that will be approved at the Cabinet February 2020 meeting.

## 7. Other Liabilities

### 7.1 Outstanding Commitments

7.1.1 The Council also has the following outstanding commitments:

- The Council has also set aside £x million (as at 31<sup>st</sup> March 2019) to cover the financial risk associated with Business Rates appeals lodged with the Valuation Office Agency (VOA); and

### 7.2 Guarantees

7.2.1 A 30-year Business Plan for the Council's HRA has been developed, which is currently generating sufficient rental income each year to run an efficient and effective housing management service, whilst at the same time servicing the outstanding debt. However, if the HRA is unable to repay the outstanding debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The remaining balance on HRA debt as at 31<sup>st</sup> March 2019 was £42.6 million).

### 7.3 Governance

7.3.1 Decisions on incurring new discretionary liabilities are taken by Directors and Heads of Service in consultation with the CFO. For example, in accordance with the Financial Procedure Rules credit arrangements, such as leasing agreements, cannot be entered into without the prior approval of the CFO.

## 8. Revenue Implications

### 8.1 Financing Cost

8.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates and general Government grants.

*Table 8: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (General Fund)*

|                                  | 2019/20<br>forecast | 2020/21<br>forecast | 2021/22<br>forecast | 2022/23<br>forecast |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | £m                  | £m                  | £m                  | £m                  |
| Financing Costs (£m)             | 2.0                 | 2.6                 | 3.4                 | 2.8                 |
| Proportion of Net Revenue Stream | 13.2                | 17.2                | 22.6                | 15.1                |

*Table 9: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (HRA)*

|                                  | 2019/20<br>forecast | 2020/21<br>forecast | 2021/22<br>forecast | 2022/23<br>forecast |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | £m                  | £m                  | £m                  | £m                  |
| Financing Costs (£m)             | 1.9                 | 1.5                 | 1.3                 | 1.9                 |
| Proportion of Net Revenue Stream | 13.0                | 10.3                | 9.0                 | 13.5                |

8.1.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many [occasionally up to 50] years into the future.

## **8.2 “Prudence, Affordability and Sustainability”**

8.2.1 The CFO is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable and sustainable based on the following:

### Prudence

- Prudential indicators 8 and 9 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
  - *Prudential Indicator 8 (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term.
  - *Prudential Indicator 9 (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost effective manner.

### Affordability

- The estimated ‘revenue consequences’ of the Capital Programme (£87.87million over three years) have been included in the 2020/21 Budget and Medium-Term Financial Strategy (MTFS), extending to 2022/23; and
- The MTFS includes a reserves strategy, which includes contingency funds in the event that projections are not as expected (further supported by CFO report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

### Sustainability

- Capital schemes that are expected to deliver long-term revenue savings/generate income are given due priority. For example, the Hampden Retail Park.
- As explained in Section 3.1 above, the Asset Management Strategy will represent an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

## **9. Knowledge and Skills**

### **9.1 Officers**

9.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* - the Chief Finance Officer (CFO) and the Deputy Chief Finance Officers (DCFO's) are qualified (ACCA/ CIPFA) accountants with many years of public and private sector experiences. The Council sponsors junior staff to study for relevant professional qualifications including AAT, CIPFA and ACCA. The Council also supports training courses and conferences across all aspects of accounting.
- *Property* – the Head of Property and Facilities Shared Service (PFSS) – a qualified property expert - is responsible for Asset Management within the Council. PFSS comprises the Asset Development, Building and Maintenance, Corporate Landlord and development functions of the Council. Each area has appropriately qualified professionals within their individual specialism. The Head of PFSS plays a key role in the Council's approach to commercial investment and trading (highlighted above in Section 6).

9.1.2 The Council also has a separate Housing team that is responsible for overseeing social housing developments within the borough.

### **9.2 External Advisors**

9.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisers and consultants that are experts/specialists in their field. The Council currently employs Arlingclose Limited as Treasury Management advisers, and the Asset Management team will commission property advisors as appropriate (e.g. development managers, valuers etc.) to support their work where required to ensure that the Council has access to knowledge and skills commensurate with risk.

### **9.3 Councillors**

9.3.1 May 2019 will see the election for some new councillors. Duly elected councillors will therefore all receive training appropriate to their role in the new Council.

9.3.2 Specifically with regard to Treasury Management, the Council acknowledges the importance of ensuring that members have appropriate capacity, skills and information to effectively undertake their role. To this end, newly elected Lewes councillors with Treasury Management responsibilities will receive tailored training sessions from the Council's Treasury Management advisers (Link Asset Services).

## **10. CFO Statement on the Capital Strategy**

### **10.1 Prudential Code**

10.1.1 Paragraph 24 of the recently updated Prudential Code determines that...."the Chief Finance Officer should report explicitly on the affordability and risk associated with the Capital Strategy".

10.1.2 Accordingly, it is the opinion of the CFO that the Capital Strategy as presented is affordable, and associated risk has been identified and is being adequately managed.



## 10.2 Affordability

10.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2.1) is supported by a robust and resilient MTFs extending through until 2022/23 that contains adequate revenue provision, including sufficient reserves in the event that plans and assumptions do not materialise as expected.
- *Asset Management* – as presented above (in Section 3.1) a new Asset Management Strategy is under development, which is taking a strategic longer-term (i.e. beyond 2022/23) view of the Council's asset base. A fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which will be reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets.
- *Commercial Investment* – as presented above (in Section 6.2) the Commercial Investment Strategy is also under development. The primary aim of the Strategy long-term is income generation to replace the shortfall in Government funding. The Strategy is progressing positively towards the delivery stage and its success will be critical to the long-term affordability of the Capital Strategy.

## 10.3 Risk

10.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- *Treasury Management Strategy* – the Council will formally approve a Treasury Management Strategy for 2020/21, at the Council meeting on 10 February 2020, in accordance with CIPFA's "Treasury Management in the Public Services: Code of Practice 2017". That Strategy was developed by the Council's (professionally qualified and experienced) Finance team and informed by specialist advisors Link Asset Services and other relevant and extant professional guidance.
- *Investment Strategy* – the Council will also formally approve an Investment Strategy for 2019/20, at the Council meeting on 20 February 2019, in accordance with MHCLG's "Statutory Guidance on Local Government Investments (3rd Edition) 2017". As with the Treasury Management Strategy, the Investment Strategy was developed by the Finance team and informed by specialist advisors Link Asset Service and other relevant and extant professional guidance.
- *Commercial Activities* – as noted above (in Paragraph 6.2) the Council is committed to significantly expanding the scale of its commercial activities in the medium-term as part of its Commercial Investment Strategy. It is recognised and accepted that increased commercial activity brings with it additional risk. The Strategy is therefore being developed in accordance with contemporary best practice. This includes the engagement of professional advisors on the commercial, financial and legal aspects of the project and the preparation of full supporting business cases prior to the commencement of both in-house and arm's length trading activities, strictly in accordance with HM Treasury's 'five-case model' ("The Green Book: Central Government Guidance on Appraisal and Evaluation").

## **11. Capital Strategy Updates**

- 11.1 The Capital Strategy is a 'living document' and will be periodically, usually annually, updated to reflect changing local circumstances and other significant developments. However, the development of the Asset Management Strategy and the Commercial Investment Strategy (explained above in Sections 3 and 6) are both major initiatives that could have a material impact on the Strategy as early as 2019/20, once full details are known. In the event that this happens, the Capital Strategy will be updated and re-presented to full Council.

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| <b>Report to:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | <b>10 February 2020</b>  |
| <b>Title:</b>                       | <b>Council Tax Base and Non-Domestic Rates income for 2020/21</b>  |
| <b>Report of:</b>                   | <b>Chief Finance Officer</b>   |
| <b>Cabinet member:</b>              | <b>Councillor Zoe Nicholson, Leader of the Council, Cabinet Member for Finance</b>   |
| <b>Ward(s):</b>                     | <b>All</b>   |
| <b>Purpose of report:</b>           | <b>To approve the Council Tax Base and net yield from Business Rate Income for 2020/21 in accordance with the Local Government Finance Act 1992, as amended 2018/19.</b>   |
| <b>Decision type:</b>               | <b>Key Decision</b>  |
| <b>Officer recommendation(s):</b>   | <ul style="list-style-type: none"><li><b>i) Agree the provisional Council Tax Base of 36,811.2 for 2020/21.</b></li><li><b>ii) Agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine the final amounts for the Council Tax Base for 2020/21.</b></li><li><b>iii) Agreed that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine net yield from Business Rate income for 2020/21.</b></li></ul> |
| <b>Reasons for recommendations:</b> | <b>Cabinet is required to approve the Tax Base which will be used for the purposes of calculating the 2020/21 Council Tax.</b>   |
| <b>Contact Officer(s):</b>          | <b>Name: Andrew Clarke<br/>Post title: Deputy Chief Finance Officer<br/>E-mail: Andrew.Clarke@lewes-eastbourne.gov.uk<br/>Telephone number: 01323 415691</b>   |

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## **1. Introduction**

- 1.1 The Council is required to set its Council Tax Base for the forthcoming year. This calculation is used as the basis for the amount of income the Council will precept from the Collection Fund.

- 1.2 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 prescribe that the billing authority (this council) must supply the precepting authorities (the County, Police and Fire authorities) with the calculation of the Council Tax Base. This information must be supplied between 1 December and 31 January in the financial year preceding the financial year for which the calculation is being made.
- 1.3 Non-Domestic Rating (Rates Retention) Regulations 2013 also sets out a timetable for informing the Government and precepting authorities of the business rate income calculation. This information is completed via a Government return (NNDR1) which must be submitted by 31 January in the financial year preceding the financial year for which the calculation is being made.
- 1.4 In order to assist the precepting authorities with their financial planning it is helpful to provide the information during December rather than wait for the January deadline.

## **2. Council Tax Base 2020/21**

- 2.1 The Council Tax Base is the estimated full year equivalent number of chargeable dwellings. This is expressed as the equivalent number of Band D dwelling with two or more liable adults.
- 2.2 In making this estimate, account must be taken of discounts, disabled relief and property exemptions. Movements on and off the valuation list during the year must also be taken into account – e.g. where new properties have been built or old ones converted or demolished.
- 2.3 The basic calculation as determined by primary legislation is that the Council arrives at its Council Tax Base by multiplying its Relevant Amount by its estimated Collection Rate.

## **3. Relevant amount**

- 3.1 The Relevant Amount for each Band is the estimated full year equivalent number of chargeable dwellings in the Band expresses the equivalent number of Band D dwellings. The Government's Valuation Office assesses the relative value of each property with the borough and places it in one of the eight bands. A conversion factor is then applied to each band in order to obtain the equivalent number of Band D property as set out below

| Band | Valuation (at 1 April 1991) | Conversion Factor as proportion of Band D |
|------|-----------------------------|---|
| A    | Less than £40,000           | 6/9                                       |
| B    | £40,001 - £52,000           | 7/9                                       |
| C    | £52,001 - £68,000           | 8/9                                       |
| D    | £68,001 - £88,000           | 9/9                                       |
| E    | £88,001 - £120,000          | 11/9                                      |
| F    | £120,001 - £160,000         | 13/9                                      |
| G    | £160,001 - £320,000         | 15/9                                      |
| H    | Over £320,001               | 16/9                                      |

3.2 Deductions are made to the aggregate number of properties in each band in respect of various discounts such as empty properties and single persons. An adjustment is also made to reflect the impact of the Council Tax Reduction Scheme.

3.3 The results for each Band are then added together to arrive at the overall Band D or Relevant Amount. For 2020/21 this totals 37,466.9 equivalent properties.

3.4 The Relevant Amount has increased by 51.7 properties (0.13%) Band D equivalent dwellings from 2019/20.

#### **4. Collection Rate**

4.1 The Collection Rate is the Council's estimate of the proportion of the overall Council Tax collectable for 2020/21 that will ultimately be collected.

4.2 The key elements in making this calculation are losses on collection, appeals against valuation, changes in circumstances (e.g. application for discounts in respect of single person's occupancy or disability) and other adjustments. These other adjustments to bills can arise for a variety of reasons including bankruptcy, death and exemptions, plus an allowance for uncollectable debts.

4.3 The current level of Council Tax collection is forecast to show an in-year surplus of £549,536 at the end of 2019/20, and this would indicate that the current collection rate of 98.25% should be maintained taking on board the small increase in properties next year.

#### **5. Council Tax Base**

5.1 Taking the Relevant Amount of 37,466.9 and applying the Collection Rate of 98.25% produces a Council Tax Base for 2020/21 of 36,811.2.

5.2 The Council Tax Base has increased by 0.24% compared with 2019/20. This is equivalent to an increase of 50.8 Band D dwellings. The detailed number of properties is shown at Appendix 1.

## **6. Business Rate Income**

- 6.1 The Local Government Finance Act 2012 introduced a new system for the local retention of business rates. This means that the Council is required to formally approve the expected business rate income for the forthcoming year. The estimate for the 2020/21 financial year must be approved by 31 January 2020.
- 6.2 The Business Rate income is collated on the Government's NNDR1 form which shows the net rate income yield for the central and local shares of the business shares of the business rates. The actual NNDR1 form and guidance notes have been received and will have been completed by the time this report is received.
- 6.3 The net business rate yield is calculated using the total expected gross income by multiplying the Rateable value by the nationally set multipliers (for 2019/20 these are 50.4p standard and 49.1p for small businesses). These multipliers are uplifted annually by the September CPI rate which was 1.7%, but this increase is still to be confirmed by Government. This gross yield is then adjusted for mandatory and discretionary reliefs, an allowance for cost of collection, adjustment for changes in Rateable Value due to growth or reduction in property numbers, estimated losses on collection and an allowance for appeals.
- 6.4 The resulting calculation is the net business rate yield which is shared as follows:

50% to Central Government  
40% to Local Billing Authority (this council)  
9% to the County  
1% to the fire authority.

- 6.5 The local share is then payable to the Council's General Fund. All other adjustments to the overall level of Business rate income are then accounted for within the General Fund.
- 6.6 The final amount of business rates income retained by the Council is adjusted by deduction tariff and levy payments.
- 6.7 The system of tariff or top up is to redress the balance of Business Rate income nationally to ensure that no local authority is worse off as a result of business rate income at the outset of the rates retention scheme in 2013. This authority currently makes a tariff payment, and information on the level of tariff payment will be announced as part of the Government grant settlement figures.
- 6.8 Levy payments allow authorities to retain a proportion their growth. The levy has been set at 50% of the growth over the baseline allowance set by Government.

## **7. Setting the Business Rate Income**

- 7.1 As the final figures required to set the Business Rates Income are not yet available, Cabinet is asked that delegated authority be given to the Chief Finance Officer, in consultation with the portfolio holder for Finance.

## **8. Business Rate Pooling**

- 8.1 The Council is working within a Business Rate Pool with the other East Sussex Borough and District Councils, East Sussex County Council and East Sussex Fire Authority. Under this arrangement, 50% of any growth in business rate income which would otherwise be paid as level to the Government can be retained by the Pool to be redistributed to its participating authorities in accordance with an agreed memorandum of understanding.

For 2020/21 it is assumed that the current pooling arrangements will continue.

- 8.2 No additional pool income was anticipated from the pool in 2019/20, however the exact position will be confirmed at the end of the financial year. The figures for 2020/21 can not be estimated until the NNDR1 form is complete.

## **9. Collection Fund Performance**

- 9.1 As at 31 March 2019 the Collection Fund showed a surplus of £138,729 (£33,546 Council Tax surplus and £105,183 Business Rates surplus). However, £615,453 is being distributed across Council Tax and Business Rates preceptors during 2019/20, leaving a balance of £476,724 to be recovered in 2020/21.

- 9.2 The Council has to estimate the overall surplus/deficit at 31 March 2020 and inform precepting authorities in January 2020 of this estimate in order that the amount is included in the 2020/21 precept figures.

- 9.3 Current monitoring figures indicate a surplus by 31 March 2020 of £549,536 for Council Tax. Any surplus or deficit is allocated to preceptors in 2020 /21 in proportion to the 2019/20 Band D Council Tax. For this council this represents a 15.11% share of the total.

- 9.4 The calculation on the Business Rate income element of the Collection Fund currently indicates a deficit balance of £239,000 as a result of a combination of the backdated appeals being paid, and an increase in charity reliefs and exemptions granted. Any surplus or deficit is allocated in 2020/21 in accordance with the proportions given at paragraph 6.4 above.

## **10. Outcome expected and Performance Management.**

- 10.1 Once the Council Tax Base and the estimate balance on the Council Tax element of the Collection Fund has been determined, East Sussex Council, Sussex Police and Crime Commissioner and East Sussex Fire Authority will be notified.

- 10.2 Once the NNDR1 2020/21 has been completed and the estimated balance on the Business Rate element of the Collection Fund has been determined, this will be submitted to Central Government and both East Sussex County Council and East Sussex Fire Authority will be notified.

- 10.3 Council Tax and Business Rates income and payments to precepts are accounted for in the Collection Fund which is regularly monitored and reported to members as part of the quarterly performance monitoring report.

## **11. Financial appraisal**

- 11.1 The Council Tax Base will be used to calculate the level of Council Tax requirement that will be recommended to the Council on 24 February 2020.
- 11.2 The net yield from Business Rates income will be used to calculate the amount of retained Business Rates to be credited to the General Fund.

## **12. Legal implications**

- 12.1 The Council Tax Base must be calculated in accordance with the Local Government Finance Act 1992 and The Authorities (Calculation of Council Tax Base) Regulations 2012.
- 12.2 Under these Regulations 1992 the billing authority (this council) is required to calculate its Council Tax base by 31 January for the next financial year and inform all its preceptors of this calculation.

The legislation further provides that, where a billing authority fails to notify each of the major precepting authorities of this calculation it can be determined by those precepting authorities on the basis of all the information available and with reference to the preceding year's amount.

- 12.3 It is a requirement of the Non-Domestic Rating (Rates Retention) Regulations 2013 for the billing authority (this council) to notify MHCLG and precepting authorities of its calculation of expected rate income by 31 January preceding the commencement of the next financial year.

If the billing authority fails to comply with this requirement then the Secretary of State may make the calculation instead and inform precepting authorities of the calculation.

## **13. Risk management implications**

- 13.1 If the Council did not set a Council Tax Base this can be imposed by the precepting authorities with the potential that an incorrect Band D Council Tax could be set. This would have implications to the Council Tax income for the Preceptors, this Council and the performance of the Collection Fund.
- 13.2 In order for the Council to set Council Tax for 2020/21 it will need to have received all precepts in advance of 24 February 2020. Major preceptor meetings are scheduled in time, however, at the time of writing the report, a number of parish and town councils have not set their precepts by the date requested. Should precepts not be received in time for the Council to set Council Tax levels for 2020/21 then it has the powers to make an estimate of those precepts.

## **14. Equality analysis**

- 14.1 There are no equality implications to this report.



## **15. Conclusion**

- 15.1 The provisional Council Tax Base for 2020/21 has been calculated in accordance with the relevant legislation. Summary calculations are set out within the attached appendix.
- 15.2 The figures required to set the Business Rate Income are not yet available as the NNDR1 form has not been completed at the time of writing this report.
- 15.3 It is recommended that delegated authority be given to the Chief Finance Officer, in consultation with the Portfolio holder for Finance, to agree the final figures for both calculations.

## **16. Appendices**

- Appendix 1 – Summary of property numbers and Council Base Calculation.
- Appendix 2 – Parish Tax Base Calculations

## **17. Background papers**

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

- Local Government Finance Act 1992
- The Local Authorities (Calculation of Council Tax Base) Regulations 1992
- The Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 2003
- Non-Domestic Rating (Rates Retention) Regulation 2013
- Calculation of Council Tax Base – CTB (October 2019) form.

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**Council Tax Base comparison over years.**

**Appendix 1**

|  | 2017/18         | 2018/19         | 2019/20         | 2020/21         |
|--|-----------------|-----------------|-----------------|-----------------|
| <b>NUBER OF DWELLINGS</b>                  |                 |                 |                 |                 |
| Valuation List as at November              | 43,672          | 44,150          | 44,251          | 44,497          |
| Less discounts equated to property numbers | -3,948          | -4,032          | -4,306          | -4,417          |
| Add Premiums equated to property numbers   | 37              | 43              | 47              | 47              |
| Total equivalent property numbers          | 39,761          | 40,161          | 39,992          | 40,127          |
| Estimated changes in year                  | 150             | 317             | 366             | 151             |
| Less Local Council Tax Reduction Scheme    | -4,548          | -3,921          | -4,129          | -3,951          |
| <b>Total Number of Properties</b>          | <b>35,363</b>   | <b>36,557</b>   | <b>36,229</b>   | <b>36,327</b>   |
| % increase (decrease)                      |                 | 3.38%           | -0.90%          | 0.27%           |
| <b>TAXBASE CALCUATION</b>                  |                 |                 |                 |                 |
| Relevant Amount (Band D Equilavant)        | 36,527.7        | 37,712.8        | 37,415.2        | 37,466.9        |
| Collection Rate                            | 98.00%          | 98.20%          | 98.25%          | 98.25%          |
| <b>Council Tax Base</b>                    | <b>35,797.1</b> | <b>37,034.0</b> | <b>36,760.4</b> | <b>36,811.2</b> |
| % growth increase                          |                 | 3.46%           | -0.74%          | 0.14%           |

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## Council Tax Base Calculation 2020/21 - Band D Equivalents

| Town/Parish Area    | DISA        | Band A          | Band B          | Band C          | Band D          | Band E          | Band F          | Band G          | Band H        | Total            | 98.25%           |
|---------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|------------------|------------------|
| Barcombe            | -           | 10.55           | 25.74           | 89.90           | 93.52           | 109.56          | 138.38          | 165.83          | 15.50         | <b>648.99</b>    | <b>637.63</b>    |
| Chailey             | -           | 32.46           | 40.80           | 163.80          | 147.21          | 197.19          | 295.14          | 399.10          | 47.00         | <b>1,322.71</b>  | <b>1,299.57</b>  |
| Ditchling           | -           | 7.67            | 15.87           | 61.36           | 63.76           | 328.75          | 173.23          | 423.33          | 68.00         | <b>1,141.98</b>  | <b>1,122.00</b>  |
| East Chiltington    | -           | 0.41            | 4.47            | 51.99           | 40.55           | 8.86            | 15.93           | 54.58           | 19.50         | <b>196.30</b>    | <b>192.87</b>    |
| Falmer              | -           | 1.03            | 6.54            | 13.24           | 16.18           | 15.35           | 2.67            | 10.00           | 2.00          | <b>67.01</b>     | <b>65.83</b>     |
| Firle               | -           | 2.43            | 10.88           | 16.12           | 26.24           | 28.56           | 9.75            | 25.00           | 8.00          | <b>126.99</b>    | <b>124.76</b>    |
| Glynde & Beddingham | -           | 3.50            | 9.65            | 62.36           | 13.66           | 24.44           | 23.65           | 32.50           | 17.50         | <b>187.27</b>    | <b>183.99</b>    |
| Hamsey              | -           | 14.27           | 15.45           | 56.64           | 32.30           | 55.34           | 36.43           | 50.87           | 15.00         | <b>276.30</b>    | <b>271.46</b>    |
| Iford               | -           | 0.67            | 1.26            | 3.11            | 11.92           | 35.46           | 16.61           | 17.30           | 6.00          | <b>92.33</b>     | <b>90.71</b>     |
| Kingston            | -           | 9.01            | 4.20            | 5.24            | 13.50           | 56.70           | 184.48          | 147.08          | 15.50         | <b>435.72</b>    | <b>428.09</b>    |
| Lewes               | 0.42        | 183.90          | 673.91          | 1,827.35        | 1,271.58        | 891.61          | 653.78          | 711.15          | 33.50         | <b>6,247.21</b>  | <b>6,137.88</b>  |
| Newhaven            | 0.83        | 321.43          | 899.40          | 1,286.26        | 810.85          | 369.72          | 53.69           | 15.42           | 2.00          | <b>3,759.60</b>  | <b>3,693.81</b>  |
| Newick              | -           | 9.75            | 17.17           | 126.28          | 216.49          | 239.15          | 239.36          | 265.83          | 12.00         | <b>1,126.04</b>  | <b>1,106.33</b>  |
| Peacehaven          | 0.83        | 364.72          | 478.92          | 2,002.34        | 1,392.61        | 476.12          | 144.29          | 24.58           | 2.00          | <b>4,886.40</b>  | <b>4,800.89</b>  |
| Piddinghoe          | -           | 1.16            | 1.06            | 20.61           | 9.52            | 20.44           | 42.97           | 30.00           | -             | <b>125.76</b>    | <b>123.56</b>    |
| Plumpton            | -           | 7.83            | 11.75           | 90.41           | 144.10          | 113.68          | 102.19          | 186.25          | 21.00         | <b>677.22</b>    | <b>665.37</b>    |
| Ringmer             | -           | 14.45           | 56.06           | 306.89          | 595.56          | 418.04          | 301.83          | 192.88          | 24.00         | <b>1,909.71</b>  | <b>1,876.29</b>  |
| Rodmell             | -           | 5.47            | 9.38            | 24.67           | 12.69           | 20.53           | 36.11           | 83.60           | 19.50         | <b>211.95</b>    | <b>208.24</b>    |
| St Ann Without      | -           | 1.33            | 1.94            | 4.89            | 6.75            | 4.58            | 11.19           | 9.58            | -             | <b>40.28</b>     | <b>39.57</b>     |
| St John Without     | -           | -               | -               | 5.81            | 1.75            | 2.14            | 1.50            | 10.83           | 2.00          | <b>24.04</b>     | <b>23.62</b>     |
| Seaford             | 0.42        | 504.21          | 740.57          | 2,149.90        | 2,227.90        | 2,307.03        | 1,300.36        | 430.45          | 4.00          | <b>9,664.85</b>  | <b>9,495.71</b>  |
| Southeast           | -           | 0.50            | 0.78            | 1.78            | 1.75            | 4.58            | 4.33            | 7.50            | 2.00          | <b>23.22</b>     | <b>22.82</b>     |
| South Heighton      | -           | 19.69           | 24.82           | 177.16          | 22.46           | 15.58           | 7.94            | 12.92           | 2.00          | <b>282.57</b>    | <b>277.63</b>    |
| Streat              | -           | 2.00            | 0.05            | 7.48            | 13.54           | 5.50            | 9.75            | 38.38           | 6.00          | <b>82.61</b>     | <b>81.17</b>     |
| Tarring Neville     | -           | 1.83            | 0.40            | 2.61            | 1.00            | 1.22            | -               | 1.67            | -             | <b>8.73</b>      | <b>8.58</b>      |
| Telscombe           | -           | 85.49           | 211.30          | 856.57          | 964.44          | 364.48          | 61.35           | 30.08           | 5.00          | <b>2,578.70</b>  | <b>2,533.57</b>  |
| Westmeston          | -           | 5.17            | 2.36            | 6.44            | 15.50           | 29.42           | 23.17           | 50.83           | 23.00         | <b>155.89</b>    | <b>153.16</b>    |
| Wivelsfield         | -           | 9.49            | 22.03           | 157.61          | 251.18          | 243.44          | 247.00          | 208.33          | 27.50         | <b>1,166.58</b>  | <b>1,146.16</b>  |
| <b>TOTAL</b>        | <b>2.51</b> | <b>1,620.41</b> | <b>3,286.67</b> | <b>9,578.84</b> | <b>8,418.51</b> | <b>6,387.49</b> | <b>4,137.11</b> | <b>3,635.90</b> | <b>399.50</b> | <b>37,466.94</b> | <b>36,811.27</b> |

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| <b>Report to:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | <b>10 February 2020</b>  |
| <b>Title:</b>                       | <b>Annual Review of Fees and Charges</b>   |
| <b>Report of:</b>                   | <b>Chief Finance Officer</b>   |
| <b>Cabinet member:</b>              | <b>Councillor Zoe Nicholson, Leader of Council and Cabinet Member for Finance</b>  |
| <b>Ward(s):</b>                     | <b>All</b>   |
| <b>Purpose of report:</b>           | <b>To propose the schedule of Fees and Charges to apply from 1 April 2020.</b>   |
| <b>Decision type:</b>               | <b>Key Decision</b>  |
| <b>Officer recommendation(s):</b>   | <b>(1) To approve the scale of Fees and Charges proposed within Appendix 1 to apply from 1 April 2020.</b><br><b>(2) To implement changes to statutory fees and charges for services shown within Appendix 1 as and when notified by Government.</b> |
| <b>Reasons for recommendations:</b> | <b>The Council's Constitution requires that all fees and charges, including nil charges, be reviewed at least annually and agreed by Cabinet.</b>  |
| <b>Contact Officer(s):</b>          | <b>Name: Andrew Clarke</b><br><b>Post title: Deputy Chief Finance Officer</b><br><b>E-mail: Andrew.clarke@lewes-eastbourne.gov.uk</b><br><b>Telephone number: 01323 415691</b>   |

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## **1 Introduction**

- 1.1 Following a systematic review in light of an Audit Commission report entitled 'Positively Charged' Cabinet approved guiding principles, as set out on Appendix 1, for setting fees and charges.
- 1.2 The guiding principle and the recommended actions arising from the systematic review of services have been applied in reviewing and proposing a scale of fees and charges to apply from 1 April 2020.

## **2 Fees and Charges Proposals to apply form 1 April 2020**

- 2.1 Fees and Charges are reviewed by Cabinet at least once each year, principally during the winter prior to the next financial year. This enables Cabinet's decision

to be incorporated in the coming budget cycle. Cabinet is not restricted to an annual review; it can conduct further reviews at any time in the year with implementation of decisions from any point in the year

- 2.2 As in previous years all of the fees and charges are covered, so far as is practicable, within a single report. In this way Cabinet is able to consider all of the fees and charges which apply to the Council's services as an overall package. There is only one exception to this and that is licensing fees which are excluded from this report because they are set by the Licensing Committee.
- 2.3 Cabinet will be aware that fees and charges applicable at the Council-owned indoor leisure facilities and at Newhaven Fort are set by Wave Leisure under the terms of the management agreements it has with the Council
- 2.4 Within Appendix 1 to this report there are some significant services, with significant income estimates, where the Council has discretion to set the level of fees and charges. These are summarised below between those services where changes are proposed and those services where no changes are proposed
- 2.5 In addition Appendix 1 includes those services where fees are statutory and where any changes can only be made by Government.

### 3. Services where changes to fees and charges are proposed.

3.1

| Service           | Arts Development  |
|-------------------|---|
| Appendix ref      | lines 59 to 69  |
| Reason for change | Fees and charges have been reviewed along with the introduction of new options to support charitable and educational organisations. |
| Financial impact  | The 2020/21 income budget has been increased by £8,000 to £28,000 to reflect an increase in activity.                               |

| Service           | Tourism   |
|-------------------|---|
| Appendix ref      | lines 71 to 79  |
| Reason for change | Review of fees and charges to cover increase in costs.  |
| Financial impact  | The 2020/21 income budget has been increased to £18,000. £14,000 increase is in respect of an increase in activity and £1,000 increase is in respect of increased fees. |

| Service           | Street Naming and Numbering  |
|-------------------|--|
| Appendix ref      | lines 231 to 244   |
| Reason for change | Fees and Charges have been reviewed so that they remain appropriate for the services on offer. |
| Financial impact  | The 2020/21 budget will remain at £12,500  |



|                   |  |
|-------------------|--|
| <b>Service</b>    | <b>Allotments</b>  |
| Appendix ref      | lines 246 to 247   |
| Reason for change | An increase of £3 per plot is proposed in order to maintain value. |
| Financial impact  | No change to the income budget of £1,000.                          |

|                   |   |
|-------------------|---|
| <b>Service</b>    | <b>Cemeteries</b>   |
| Appendix ref      | lines 249 to 270  |
| Reason for change | The Council's policy is to maintain its charges within the upper quartile of local authority burial charges. The proposed increases are intended to maintain the Council's position.                  |
| Financial Impact  | The 2020/21 budget will become £141,000, an increase of £700. £4,100 increase is in respect of the proposed increase in fees and charges and a reduction of £3,400 is in respect of reduced activity. |

|                   |   |
|-------------------|---|
| <b>Service</b>    | <b>Parks and Open Spaces</b>  |
| Appendix ref      | lines 272 to 325  |
| Reason for change | To maintain recovery of a fair share of the costs of providing services.  |
| Financial impact  | The 2020/21 budget will become £53,700 a reduction of £300. £4,500 increase is in respect of the proposed increase in fees and charges and a reduction of £4,800 is in respect of reduced activity. |

|                   |  |
|-------------------|--|
| <b>Service</b>    | <b>Waste Collection (excluding Commercial Trade Waste)</b>   |
| Appendix ref      | lines 327 to 371   |
| Reason for change | Delegated authority was previously given to the Director of Service Delivery, in consultation with the Portfolio holder for Waste and Recycling, to vary commercial trade waste charges upwards or downwards by up to 10% in order to respond to developing market conditions. |
| Financial impact  | No change to the income budget of £446,500.  |

|                   |   |
|-------------------|---|
| <b>Service</b>    | <b>Land Charges</b>   |
| Appendix ref      | Lines 401 to 407  |
| Reason for change | ESCC are increasing the fee they charge in respect of the footpath enquiry from 1 <sup>st</sup> April 2020. In order to cover this cost an increase of £6.00 is recommended. Due to a reduction in the volume of activity it is estimated that income will reduce by £10,000. |
| Financial impact  | The estimated income budget will reduce to £125,000.  |

#### 4. Services where no changes to fee and charges are proposed

##### 4.1

| <b>Service</b>       | <b>Car Parks</b>  |
|----------------------|---|
| Appendix ref         | lines 1 to 33   |
| Reason for no change | Cabinet agreed the current pricing tariff in January 2018 to apply from 1 April 2018, the first increase since 1 April 2013.<br><br>This was consistent with the principle established by Cabinet that future increases would be based on inflation and implemented only when accumulated inflation increased fees to easily collectable amounts. |
| Financial impact     | The income budget for 2019/20 for £1,002,000 is being achieved so no change is proposed to 2020/21.   |

| <b>Service</b>       | <b>Electric Vehicle Chargers</b>   |
|----------------------|--|
| Appendix ref         | lines 35 to 37   |
| Reason for no change | Usage of this service continues to grow and officers believe that leaving the current pricing structure in place for another year will encourage further growth. |
| Financial impact     | The income budget will remain at £4,000.   |

| <b>Service</b>       | <b>Lewes House</b>   |
|----------------------|--|
| Appendix ref         | lines 39 to 57   |
| Reason for no change | The offer of rooms and garden for events like wedding receptions is operating in a competitive environment. Officers judge that the current level of fees remains at the right level to maintain a share of that market. |
| Financial impact     | The income budget will remain at £10,000.  |

| <b>Service</b>       | <b>Animal Wardens</b>   |
|----------------------|---|
| Appendix ref         | lines 81 to 86 (Excluding line 83)  |
| Reason for no change | Very limited activity to justify change.  |
| Financial impact     | No income budget is set for this service because of the uncertainty around volumes and the very low levels of income generated. |

| <b>Service</b>       | <b>Public Health</b>  |
|----------------------|---|
| Appendix ref         | lines 101 and 102   |
| Reason for no change | Limited activity to justify change.   |
| Financial impact     | No income budget is set for this discretionary service because of the uncertainty around volumes and the very low levels of income generated. |

|                      |  |
|----------------------|--|
| <b>Service</b>       | <b>Private Sector Housing</b>                            |
| Appendix ref         | lines 129 to 131   |
| Reason for no change | Fees will continue to be set in line with officer costs. |
| Financial impact     | Income Budget for 2020/21 to remain at £2,000            |

|                      |  |
|----------------------|--|
| <b>Service</b>       | <b>Building Control</b>  |
| Appendix ref         | lines 133 to156  |
| Reason for no change | Building control operates in a competitive environment and officers judge that the current fees remain at the appropriate level for the services on offer. |
| Financial impact     | Income Budget for 2020/21to remain at £281,500   |

|                      |  |
|----------------------|--|
| <b>Service</b>       | <b>Recycling - Section 106 Developers' Contributions</b>   |
| Appendix ref         | lines 183 to 184   |
| Reason for no change | A charge is made solely to maintain recovery of a fair share of the costs of providing the service.                                    |
| Financial impact     | No income budget is set because of the uncertainty around volumes and timing as well as the relatively low levels of income generated. |

|                      |  |
|----------------------|--|
| <b>Service</b>       | <b>Planning Services</b>   |
| Appendix ref         | lines 186 to 229   |
| Reason for no change | Officers judge that the current fees remain at the appropriate levels for the services on offer. |
| Financial impact     | Income budget for 2020/21 will remain at £30,000   |

|                      |   |
|----------------------|---|
| <b>Service</b>       | <b>Council Tax and Business Rates Summons income</b>  |
| Appendix ref         | lines 373 to 376  |
| Reason for no change | Because both this Council and Wealden Council use the same court the policy has been to keep our fees in line.<br><br>Therefore no changes are proposed at this time. |
| Financial impact     | Income budget for 2020/21 will remain at £210,000   |

|                      |   |
|----------------------|---|
| <b>Service</b>       | <b>Legal Services</b>   |
| Appendix ref         | lines 378 to 390  |
| Reason for no change | Maintains recovery of costs and positioning with other local authorities. |
| Financial impact     | Supports the viability of the shared legal service.                       |
|                      |   |

|                      |   |
|----------------------|---|
| <b>Service</b>       | <b>Estate Surveyor Services</b>   |
| Appendix ref         | lines 392 to 399  |
| Reason for no change | These charges are complimentary to those already charged by Legal Services and are similar in nature to those which commercial lessees might expect to pay in the private sector. |
| Financial impact     | The income budget will remain at £15,000.   |

## 5. Services where statutory fees and charges apply

5.1 The current level of fees and charges will continue to apply until such time as the Council is notified by Government of changes. Such changes will be implemented in accordance with the relevant statutory notices.

5.2

|                  |  |
|------------------|--|
| <b>Service</b>   | <b>Animal Wardens</b>  |
| Appendix ref     | line 83  |
| Financial impact | No budget for 2019/20 is proposed because of the very low levels of income generated from this service |

|                  |   |
|------------------|---|
| <b>Service</b>   | <b>Port Health</b>                                |
| Appendix ref     | lines 88 to 98                                    |
| Financial impact | A small budget of £1,000 is proposed for 2020/21. |

|                  |  |
|------------------|--|
| <b>Service</b>   | <b>Public Health</b>                           |
| Appendix ref     | lines 100 to 127 (excluding lines 101 and 102) |
| Financial impact | The income budget will remain at £4,000.       |

|                  |   |
|------------------|---|
| <b>Service</b>   | <b>Development Control</b>                        |
| Appendix ref     | lines 158 to 175                                  |
| Financial impact | Income budget for 2020/21 will remain at £429,000 |

|                |  |
|----------------|--|
| <b>Service</b> | <b>Community Infrastructure Levy (CIL)</b>   |
| Appendix ref   | lines 177 to 181   |
|                | The Charging Schedule implemented on 1 December 2015 under The Community Infrastructure Levy Regulations 2010 remains appropriate and provides the baseline for the levy. CIL regulations require that fees are uplifted annually in line with the change in a national price index. This change is applied each year once the index data becomes available. |

|                  |  |
|------------------|--|
| <b>Service</b>   | <b>Register of Electors</b>              |
| Appendix ref     | lines 409 to 415                         |
| Financial impact | The income budget will remain at £1,000. |

## **6 Financial appraisal**

- 6.1 The forecast medium term financial plan strategy was that income would increase by 2% and that this would generate an additional £56,000 in income. However, due to increases and decreases in income budgets the overall net increase is estimated to be £14,000.

## **7 Legal implications**

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

## **8 Risk management implications**

- 8.1 The recommendations of this report are not significant in terms of risk. However, there is a possibility that forecast income for demand led services may be adversely affected by economic factors outside of the council's control.

## **9 Equality analysis**

- 9.1 An Equalities and Fairness Impact Assessment has been undertaken and made available to the equality checking group. The assessment indicates that the proposed changes to fees and charges set out in this report are unlikely to have any significant impact on equalities and fairness. All changes are in line with the Guiding Principles for setting fees and charges previously agreed by Cabinet.

## **10 Appendices**

- 10.1
  - Appendix 1 – Fees and Charges proposals 2020/21

## **11 Background papers**

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

- 11.2 [Guiding principles for setting fees and charges](#)

- 11.3
  - Equalities and Fairness Impact Assessment.

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## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |  |                         | 2019/2020<br>Current<br>charge<br>£pence | 2020/2021<br>Proposed<br>charge<br>£pence | VAT | Increase<br>£pence |
|-------------------------|--|-------------------------|--|---|-----|--------------------|
| 1                       | <b>CAR PARKING (OFF STREET)</b>  |                         |  |   |     |                    |
| 2                       |  |                         |  |   |     |                    |
| 3                       | <b>Central Lewes - short stay</b>  | up to 30 mins           | 0.60                                     | 0.60                                      | i   | 0.00               |
| 4                       |  | up to 1 hour            | 0.80                                     | 0.80                                      | i   | 0.00               |
| 5                       |  | up to 2 hours           | 1.80                                     | 1.80                                      | i   | 0.00               |
| 6                       |  |                         |  |   |     |                    |
| 7                       | <b>Central Lewes - medium stay</b>                                       | up to 1 hour            | 0.80                                     | 0.80                                      | i   | 0.00               |
| 8                       |  | up to 2 hours           | 1.70                                     | 1.70                                      | i   | 0.00               |
| 9                       |  | up to 3 hours           | 2.60                                     | 2.60                                      | i   | 0.00               |
| 10                      |  | up to 4 hours           | 3.50                                     | 3.50                                      | i   | 0.00               |
| 11                      |  |                         |  |   |     |                    |
| 12                      | <b>Outer Lewes - long stay</b>   | up to 1 hour            | 0.70                                     | 0.70                                      | i   | 0.00               |
| 13                      |  | up to 2 hours           | 1.40                                     | 1.40                                      | i   | 0.00               |
| 14                      |  | up to 3 hours           | 2.20                                     | 2.20                                      | i   | 0.00               |
| 15                      |  | up to 4 hours           | 2.90                                     | 2.90                                      | i   | 0.00               |
| 16                      |  | over 4 hours            | 4.10                                     | 4.10                                      | i   | 0.00               |
| 17                      |  |                         |  |   |     |                    |
| 18                      | <b>Brook Street, Lewes</b>   | all day                 | 1.90                                     | 1.90                                      | i   | 0.00               |
| 19                      |  |                         |  |   |     |                    |
| 20                      | <b>Newhaven and Seaford (including multi-storey)</b>                     | up to 30 mins           | 0.60                                     | 0.60                                      | i   | 0.00               |
| 21                      |  | up to 1 hour            | 0.80                                     | 0.80                                      | i   | 0.00               |
| 22                      |  | up to 2 hours           | 1.10                                     | 1.10                                      | i   | 0.00               |
| 23                      |  | up to 3 hours           | 1.30                                     | 1.30                                      | i   | 0.00               |
| 24                      |  | up to 4 hours           | 1.80                                     | 1.80                                      | i   | 0.00               |
| 25                      |  | over 4 hours            | 2.20                                     | 2.20                                      | i   | 0.00               |
| 26                      |  |                         |  |   |     |                    |
| 27                      | <b>All Sites</b>   |                         |  |   |     |                    |
| 28                      | Commercial vendors   | per day (sliding scale) | £0 - £501                                | £0 - £501                                 | e   | 0.00               |
| 29                      |  |                         |  |   |     |                    |
| 30                      | <b>All Sites</b>   |                         |  |   |     |                    |
| 31                      | Infringement of Parking Order  | Penalty Charge Notices  | 60.00                                    | 60.00                                     | e   | 0.00               |
| 32                      |  | - if paid in 7 days     | 30.00                                    | 30.00                                     | e   | 0.00               |
| 33                      | <b>Total Current Estimated Annual Income (Car Parking)</b>               |                         | <b>1,002,000</b>                         | <b>1,002,000</b>                          |     | <b>0</b>           |
| 34                      |  |                         |  |   |     |                    |
| 35                      | <b>ELECTRIC VEHICLE CHARGERS</b>   | fixed fee               | 2.50                                     | 2.50                                      | i   | 0.00               |
| 36                      |  | plus per kilowatt hour  | 0.20                                     | 0.20                                      | i   | 0.00               |
| 37                      | <b>Total Current Estimated Annual Income (Electric Vehicle Chargers)</b> |                         | <b>4,000</b>                             | <b>4,000</b>                              |     | <b>0</b>           |
| 38                      |  |                         |  |   |     |                    |
| 39                      | <b>LEWES HOUSE</b>   |                         |  |   |     |                    |
| 40                      | Venue Hire (minimum 2 hours Monday to Friday from 9am to 6pm)            |                         |  |   |     |                    |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   |   | 2019/2020     | 2020/2021     |     | Increase      |
|-------------------------|---|---|---------------|---------------|-----|---------------|
|                         |   |   | Current       | Proposed      |     |               |
|                         |   |   | charge        | charge        |     |               |
|                         |   |   | £pence        | £pence        | VAT | £pence        |
| 41                      | Garden Room and Garden - up to 100 people                             | per hour                                  | 75.00         | 75.00         | e   | 0.00          |
| 42                      | Garden Room only - up to 30 people (November to March)                | per hour                                  | 40.00         | 40.00         | e   | 0.00          |
| 43                      | Warren Room - up to 50 people   | per hour                                  | 55.00         | 55.00         | e   | 0.00          |
| 44                      | Business Room - up to 40 people                                       | per hour                                  | 40.00         | 40.00         | e   | 0.00          |
| 45                      | Plus surcharge from 6pm to 11pm                                       | per hour                                  | 15.00         | 15.00         | e   | 0.00          |
| 46                      | Weekend surcharge   | one-off fee                               | 30.00         | 30.00         | e   | 0.00          |
| 47                      |   |   |               |               |     |               |
| 48                      | <i>Exhibition Rate (minimum 2 days Monday to Sunday 9am to 6pm)</i>   |   |               |               |     |               |
| 49                      | Warren Room   | per day                                   | 100.00        | 100.00        | e   | 0.00          |
| 50                      | Business Room   | per day                                   | 100.00        | 100.00        | e   | 0.00          |
| 51                      | Warren Room and Business Room   | per day                                   | 150.00        | 150.00        | e   | 0.00          |
| 52                      | Complete Suite excluding garden                                       | per day                                   | 200.00        | 200.00        | e   | 0.00          |
| 53                      | Plus surcharge from 6pm to 11pm                                       | per hour                                  | 15.00         | 15.00         | e   | 0.00          |
| 54                      | Weekend surcharge   | per day                                   | 30.00         | 30.00         | e   | 0.00          |
| 55                      |   |   |               |               |     |               |
| 56                      | Charges for other arrangements by application and negotiation         |   |               |               |     |               |
| 57                      | <b>Total Current Estimated Annual Income (Lewes House Venue Hire)</b> |   | <b>10,000</b> | <b>10,000</b> |     | <b>0</b>      |
| 58                      |   |   |               |               |     |               |
| 59                      | <b>ARTS DEVELOPMENT</b>   |   |               |               |     |               |
| 60                      | 400   | Artwave Artist Advert (Single)            | 80.00         | 85.00         | s   | 5.00          |
| 61                      |   | Artwave Artist Advert (Double)            | 160.00        | 170.00        | s   | 10.00         |
| 62                      |   | Artwave Artist Advert (Full Page)         |               | 400.00        | s   | 400.00        |
| 63                      |   | Artwave Business Advert (Single)          | 100.00        | 105.00        | s   | 5.00          |
| 64                      |   | Artwave Business Advert (Double)          | 200.00        | 210.00        | s   | 10.00         |
| 65                      |   | Artwave Business Advert (Full Page)       |               | 500.00        | s   | 500.00        |
| 66                      |   | Artwave Charity/School Advert (Single)    |               | 65.00         | s   | 65.00         |
| 67                      |   | Artwave Charity/School Advert (Double)    |               | 130.00        | s   | 130.00        |
| 68                      |   | Artwave Charity/School Advert (Full Page) |               | 300.00        | s   | 300.00        |
| 69                      | <b>Total Current Estimated Annual Income (Arts Development)</b>       |   | <b>20,000</b> | <b>28,000</b> |     | <b>8,000</b>  |
| 70                      |   |   |               |               |     |               |
| 71                      | <b>TOURISM</b>  |   |               |               |     |               |
| 72                      |   | Visit Lewes Silver Member                 | 99.00         | 99.00         | s   | 0.00          |
| 73                      |   | Visit Lewes Gold Member                   | 149.00        | 149.00        | s   | 0.00          |
| 74                      |   | Gin & Fizz Exhibitor Fee                  | 25.00         | 75.00         | s   | 50.00         |
| 75                      |   | Gin & Fizz Hot Food Traders Fee           | 75.00         | 150.00        | s   | 75.00         |
| 76                      |   | Gin & Fizz Other Food Traders Fee         | 70.00         | 120.00        | s   | 50.00         |
| 77                      |   | Gin & Fizz Bar Traders Fee                | 75.00         | 150.00        | s   | 75.00         |
| 78                      |   | Gin & Fizz Programme Ad                   | 100.00        | 100.00        | s   | 0.00          |
| 79                      | <b>Total Current Estimated Annual Income (Tourism)</b>                |   | <b>3,000</b>  | <b>18,000</b> |     | <b>15,000</b> |
| 80                      |   |   |               |               |     |               |



## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   |                                     | 2019/2020 | 2020/2021    |     | Increase     |
|-------------------------|---|-------------------------------------|-----------|--------------|-----|--------------|
|                         |   |                                     | Current   | Proposed     |     |              |
|                         |   |                                     | charge    | charge       | VAT | £pence       |
|                         |   |                                     | £pence    | £pence       |     |              |
| 81                      | <b>ANIMAL WARDENS</b>   |                                     |           |              |     |              |
| 82                      | Statutory Charge per stray dog  |                                     | 30.00     | 30.00        | e   | 0.00         |
| 83                      | Seizure Charge per stray dog  | In addition to statutory charge     | 30.00     | 30.00        | i   | 0.00         |
| 84                      | Return of Dog   |                                     | 45.00     | 45.00        | i   | 0.00         |
| 85                      | Kennelling  | per day                             | 25.00     | 25.00        | i   | 0.00         |
| 86                      | <b>Total Current Estimated Annual Income (Animal Wardens)</b>                                 |                                     | <b>0</b>  | <b>0</b>     |     | <b>0</b>     |
| 87                      |   |                                     |           |              |     |              |
| 88                      | <b>PORT HEALTH</b>  |                                     |           |              |     |              |
| 89                      | Ship Sanitation Certificates (Statutory Fee)  | Ships up to 1000 gross tonnage      | 85.00     | 85.00        | e   | 0.00         |
| 90                      |   | Ships 1001 to 3000 gross tonnage    | 120.00    | 120.00       | e   | 0.00         |
| 91                      |   | Ships 3001 to 10000 gross tonnage   | 180.00    | 180.00       | e   | 0.00         |
| 92                      |   | Ships 10001 to 20000 gross tonnage  | 235.00    | 235.00       | e   | 0.00         |
| 93                      |   | Ships 20001 to 30000 gross tonnage  | 305.00    | 305.00       | e   | 0.00         |
| 94                      |   | Ships > 30001 gross tonnage         | 360.00    | 360.00       | e   | 0.00         |
| 95                      |   | Vessels with more than 1000 persons | 360.00    | 360.00       | e   | 0.00         |
| 96                      |   | Vessels with 50 - 1000 persons      | 615.00    | 615.00       | e   | 0.00         |
| 97                      |   | Extensions                          | 55.00     | 55.00        | e   | 0.00         |
| 98                      | <b>Total Current Estimated Annual Income (Port Health)</b>                                    |                                     | <b>0</b>  | <b>1,000</b> |     | <b>1,000</b> |
| 99                      |   |                                     |           |              |     |              |
| 100                     | <b>PUBLIC HEALTH</b>  |                                     |           |              |     |              |
| 101                     | Food Hygiene Courses  | £5 reduction for micro businesses   | 75.00     | 75.00        | s   | 0.00         |
| 102                     | Private Water Supplies  |                                     | Cost      | Cost         | s   |              |
| 103                     | Environmental Protection Act- Schedule B Processes.   | Statutory Fee                       |           |              |     |              |
| 104                     | Initial Application   |                                     | 1,650.00  | 1,650.00     | e   | 0.00         |
| 105                     | Additional fee for operating without a permit   |                                     | 1,188.00  | 1,188.00     | e   | 0.00         |
| 106                     | For a combined Part B and waste application add an extra £104 (Low), £156 (Med), £207 (High). |                                     |           |              |     |              |
| 107                     | Where subject to reporting under PRTR add extra £104 to amount.                               |                                     |           |              |     |              |
| 108                     | Annual Charge: Standard Process LOW   | Statutory Fee                       | 772.00    | 772.00       | e   | 0.00         |
| 109                     | Standard Process MEDIUM   | Statutory Fee                       | 1,161.00  | 1,161.00     | e   | 0.00         |
| 110                     | Standard Process HIGH   | Statutory Fee                       | 1,747.00  | 1,747.00     | e   | 0.00         |
| 111                     | PVRI, and Dry Cleaners LOW  | Statutory Fee                       | 79.00     | 79.00        | e   | 0.00         |
| 112                     | PVRI and Dry Cleaners MEDIUM  | Statutory Fee                       | 158.00    | 158.00       | e   | 0.00         |
| 113                     | PVRI and Dry Cleaners HIGH  | Statutory Fee                       | 237.00    | 237.00       | e   | 0.00         |
| 114                     | PVR I & II combined LOW   | Statutory Fee                       | 113.00    | 113.00       | e   | 0.00         |
| 115                     | PVR I & II combined MEDIUM  | Statutory Fee                       | 226.00    | 226.00       | e   | 0.00         |
| 116                     | PVR I & II combined HIGH  | Statutory Fee                       | 341.00    | 341.00       | e   | 0.00         |
| 117                     | VRs and other Reduced Fees LOW  | Statutory Fee                       | 228.00    | 228.00       | e   | 0.00         |
| 118                     | VRs and other Reduced Fees MEDIUM   | Statutory Fee                       | 365.00    | 365.00       | e   | 0.00         |
| 119                     | VRs and other Reduced Fees HIGH   | Statutory Fee                       | 548.00    | 548.00       | e   | 0.00         |
| 120                     | Mobile plant, for first and second permits LOW  | Statutory Fee                       | 626.00    | 626.00       | e   | 0.00         |
| 121                     | Mobile plant, for first and second permits MEDIUM   | Statutory Fee                       | 1,034.00  | 1,034.00     | e   | 0.00         |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   |  | 2019/2020      | 2020/2021      |     | Increase |
|-------------------------|---|--|----------------|----------------|-----|----------|
|                         |   |  | Current        | Proposed       |     |          |
|                         |   |  | charge         | charge         |     |          |
|                         |   |  | £pence         | £pence         | VAT | £pence   |
| 122                     | Mobile plant, for first and second permits HIGH   | Statutory Fee  | 1,551.00       | 1,551.00       | e   | 0.00     |
| 123                     | A2 Processes Application  | Statutory Fee  | 3,363.00       | 3,363.00       | e   | 0.00     |
| 124                     | A2 Processes Annual subsistence fee LOW   | Statutory Fee  | 1,446.00       | 1,446.00       | e   | 0.00     |
| 125                     | A2 Processes Annual subsistence fee MEDIUM  | Statutory Fee  | 1,610.00       | 1,610.00       | e   | 0.00     |
| 126                     | A2 Processes Annual subsistence fee HIGH  | Statutory Fee  | 2,333.00       | 2,333.00       | e   | 0.00     |
| 127                     | <b>Total Current Estimated Annual Income (Public Health)</b>                            |  | <b>4,000</b>   | <b>4,000</b>   |     | <b>0</b> |
| 128                     |   |  |                |                |     |          |
| 129                     | <b>PRIVATE SECTOR HOUSING</b>   |  |                |                |     |          |
| 130                     | Service of Housing Act Notices and Discretionary Inspections - Officer Time hourly rate |  |                |                |     |          |
| 131                     | <b>Total Current Estimated Annual Income (Private Sector Housing)</b>                   |  | <b>2,000</b>   | <b>2,000</b>   |     | <b>0</b> |
| 132                     |   |  |                |                |     |          |
| 133                     | <b>BUILDING CONTROL (Building Regulations)</b>  |  |                |                |     |          |
| 134                     | An illustrative set of charges is listed below.   | The full list of fees and charges is available from the Council web site at <a href="http://www.lewes.gov.uk">www.lewes.gov.uk</a> |                |                |     |          |
| 135                     |   |  |                |                |     |          |
| 136                     | Dwelling-houses and Flats not exceeding 250m2 or more than 3 storeys:                   |  |                |                |     |          |
| 137                     | 1 dwelling-house  | Plan charge  | 250.00         | 250.00         | s   | 0.00     |
| 138                     |   | Inspection charge  | 490.00         | 490.00         | s   | 0.00     |
| 139                     |   | Building Notice charge   | 810.00         | 810.00         | s   | 0.00     |
| 140                     |   |  |                |                |     |          |
| 141                     | dwelling-houses   | Plan charge  | 340.00         | 340.00         | s   | 0.00     |
| 142                     |   | Inspection charge  | 650.00         | 650.00         | s   | 0.00     |
| 143                     |   | Building Notice charge   | 1,150.00       | 1,150.00       | s   | 0.00     |
| 144                     |   |  |                |                |     |          |
| 145                     | 3 dwelling-houses   | Plan charge  | 420.00         | 420.00         | s   | 0.00     |
| 146                     |   | Inspection charge  | 860.00         | 860.00         | s   | 0.00     |
| 147                     |   | Building Notice charge   | 1,350.00       | 1,350.00       | s   | 0.00     |
| 148                     |   |  |                |                |     |          |
| 149                     | 2 flats   | Plan charge  | 340.00         | 340.00         | s   | 0.00     |
| 150                     |   | Inspection charge  | 580.00         | 580.00         | s   | 0.00     |
| 151                     |   | Building Notice charge   | 950.00         | 950.00         | s   | 0.00     |
| 152                     |   |  |                |                |     |          |
| 153                     | 3 flats   | Plan charge  | 420.00         | 420.00         | s   | 0.00     |
| 154                     |   | Inspection charge  | 650.00         | 650.00         | s   | 0.00     |
| 155                     |   | Building Notice charge   | 1,150.00       | 1,150.00       | s   | 0.00     |
| 156                     | <b>Total Current Estimated Annual Income (Building Control)</b>                         |  | <b>281,500</b> | <b>281,500</b> |     | <b>0</b> |
| 157                     |   |  |                |                |     |          |
| 158                     | <b>DEVELOPMENT CONTROL (Planning applications)</b>                                      | Statutory fees   |                |                |     |          |
| 159                     | An illustrative set of charges is listed below.   | The full list of fees and charges is available from the Council web site at <a href="http://www.lewes.gov.uk">www.lewes.gov.uk</a> |                |                |     |          |
| 160                     |   |  |                |                |     |          |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   |   | 2019/2020      | 2020/2021      |     | Increase |
|-------------------------|---|---|----------------|----------------|-----|----------|
|                         |   |   | Current        | Proposed       |     |          |
|                         |   |   | charge         | charge         |     |          |
|                         |   |   | £pence         | £pence         | VAT | £pence   |
| 161                     | New dwellings   | Outline application (per 0.1ha)                                       | 385.00         | 385.00         | e   | 0.00     |
| 162                     |   | Outline application (max.for 2.5ha)                                   | 9,527.00       | 9,527.00       | e   | 0.00     |
| 163                     |   | Outline application (per 0.1ha over 2.5)                              | 115.00         | 115.00         | e   | 0.00     |
| 164                     |   | Outline application (maximum fee)                                     | 125,000.00     | 125,000.00     | e   | 0.00     |
| 165                     |   |   |                |                |     |          |
| 166                     |   | Full application (per dwelling unit)                                  | 385.00         | 385.00         | e   | 0.00     |
| 167                     |   | Full application (max. for 50 dwellings)                              | 19,049.00      | 19,049.00      | e   | 0.00     |
| 168                     |   | Full application (per dwelling over 50)                               | 115.00         | 115.00         | e   | 0.00     |
| 169                     |   | Full application (maximum fee)  | 250,000.00     | 250,000.00     | e   | 0.00     |
| 170                     |   |   |                |                |     |          |
| 171                     |   | Reserved matters (per dwelling unit)                                  | 385.00         | 385.00         | e   | 0.00     |
| 172                     |   | Reserved matters (max.for 50 dwellings)                               | 19,049.00      | 19,049.00      | e   | 0.00     |
| 173                     |   | Reserved matters (per dwelling <50)                                   | 115.00         | 115.00         | e   | 0.00     |
| 174                     |   | Reserved matters (maximum fee)  | 250,000.00     | 250,000.00     | e   | 0.00     |
| 175                     | <b>Total Current Estimated Annual Income (Development Control)</b>    |   | <b>429,000</b> | <b>429,000</b> |     | <b>0</b> |
| 176                     |   |   |                |                |     |          |
| 177                     | <b>COMMUNITY INFRASTRUCTURE LEVY (CIL)</b>                            |   |                |                |     |          |
| 178                     | <u>Regulations specify that fees are subject to annual indexation</u> |   |                |                |     |          |
| 179                     | Residential Development   | Low Zone (South of the South Downs National Park) per m <sup>2</sup>  | 105.92         | 115.61         | e   | 9.69     |
| 180                     |   | High Zone (North of the South Downs National Park) per m <sup>2</sup> | 176.54         | 192.69         | e   | 16.15    |
| 181                     | Retail Development  | per m <sup>2</sup>  | 117.69         | 128.46         | e   | 10.77    |
| 182                     |   |   |                |                |     |          |
| 183                     | <b>SECTION 106 DEVELOPER CONTRIBUTIONS</b>                            |   |                |                |     |          |
| 184                     | Recycling   | Kerbside per dwelling   | 19.00          | 19.00          | e   | 0.00     |
| 185                     |   |   |                |                |     |          |
| 186                     | <b>PLANNING SERVICES</b>  |   |                |                |     |          |
| 187                     | Planning research for third parties                                   | per hour  | 50.00          | 50.00          | s   | 0.00     |
| 188                     | Compliance checks for planning applications                           | Householder application - per hour                                    | 27.00          | 27.00          | e   | 0.00     |
| 189                     |   | Non-householder application - per hour                                | 92.00          | 92.00          | e   | 0.00     |
| 190                     | Pre-application service (in the Lewes district except the SDNP area)  |   |                |                |     |          |
| 191                     | - large scale major applications                                      | up to 6 meetings  | 3,600.00       | 3,600.00       | s   | 0.00     |
| 192                     |   | per additional meeting  | 500.00         | 500.00         | s   | 0.00     |
| 193                     | - medium scale major applications                                     | up to 4 meetings  | 1,800.00       | 1,800.00       | s   | 0.00     |
| 194                     |   | per additional meeting  | 360.00         | 360.00         | s   | 0.00     |
| 195                     | - small scale major applications                                      | up to 2 meetings  | 900.00         | 900.00         | s   | 0.00     |
| 196                     |   | per additional meeting  | 200.00         | 200.00         | s   | 0.00     |
| 197                     | - minor applications  | up to 2 meetings  | 450.00         | 450.00         | s   | 0.00     |
| 198                     |   | per additional meeting  | 120.00         | 120.00         | s   | 0.00     |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   | 2019/2020<br>Current<br>charge<br>£pence                       | 2020/2021<br>Proposed<br>charge<br>£pence | VAT | Increase<br>£pence |
|-------------------------|---|--|---|-----|--------------------|
| 199                     | - small minor applications                                | initial meeting  | 250.00                                    | s   | 0.00               |
| 200                     |   | per additional meeting   | 60.00                                     | s   | 0.00               |
| 201                     | - residential schemes for 1-2 dwellings                   | initial meeting  | 150.00                                    | s   | 0.00               |
| 202                     |   | per additional meeting   | 60.00                                     | s   | 0.00               |
| 203                     | - telecommunications, change of use, renewable energy     | initial meeting  | 75.00                                     | s   | 0.00               |
| 204                     |   | per additional meeting   | 60.00                                     | s   | 0.00               |
| 205                     | - householder schemes                                     | written advice and site visits                                 | 12.50                                     | s   | 0.00               |
| 206                     | - listed building schemes                                 | written advice and site visits                                 | 12.50                                     | s   | 0.00               |
| 207                     | Publications  | e.g. Local Plan  | 50.00                                     | e   | 0.00               |
| 208                     |   | e.g. Local Plan on Cdrom                                       | 15.00                                     | e   | 0.00               |
| 209                     |   | Emerging Core Strategy   | 12.00                                     | e   | 0.00               |
| 210                     | Document search and retrieval                             | per document   | 0.60                                      | s   | 0.00               |
| 211                     | Electronic copy of document                               | Building Control document                                      | 55.00                                     | s   | 0.00               |
| 212                     |   | Planning legal document  | 12.50                                     | s   | 0.00               |
| 213                     | Standard copying charges                                  | Minimum charge for 3 pages                                     | 1.20                                      | s   | 0.00               |
| 214                     |   | A4 size per page   | 0.10                                      | s   | 0.00               |
| 215                     |   | A3 size per page   | 0.20                                      | s   | 0.00               |
| 216                     |   | A2 size per page   | 1.80                                      | s   | 0.00               |
| 217                     |   | A1 size per page   | 2.40                                      | s   | 0.00               |
| 218                     |   | A0 size per page   | 3.00                                      | s   | 0.00               |
| 219                     | Colour copying charges                                    | A4 size per page   | 1.25                                      | s   | 0.00               |
| 220                     |   | A3 size per page   | 2.50                                      | s   | 0.00               |
| 221                     |   | A2 size per page   | 6.00                                      | s   | 0.00               |
| 222                     |   | A1 size per page   | 12.00                                     | s   | 0.00               |
| 223                     |   | A0 size per page   | 18.00                                     | s   | 0.00               |
| 224                     | Services for Solicitors:                                  | priority service   | 12.50                                     | s   | 0.00               |
| 225                     |   | Compliance checks for Enforcement (per site)                   | 50.00                                     | e   | 0.00               |
| 226                     |   | Building Control file retrieval fee                            | 50.00                                     | s   | 0.00               |
| 227                     |   | Compliance checks for Building Control (per site)              | 75.00                                     | s   | 0.00               |
| 228                     |   | Building Control database information - where reference quoted | 5.00                                      | s   | 0.00               |
| 229                     | <b>Total Current Estimated Annual Income (Planning)</b>   |  | <b>30,000</b>                             |     | <b>0</b>           |
| 230                     |   |  |   |     |                    |
| 231                     | <b>STREET NAMING AND NUMBERING</b>                        |  |   |     |                    |
| 232                     | New individual property                                   | per application  | 35.00                                     | e   | 15.00              |
| 233                     | New Development or Re-development                         | per plot/unit  | 35.00                                     | e   | 15.00              |
| 234                     | New Development or Re-development ( 3-10 New Addresses )  | per application  | 0.00                                      | e   | 150.00             |
| 235                     | New Development or Re-development ( 11-19 New Addresses ) | per application  | 0.00                                      | e   | 250.00             |
| 236                     | New Development or Re-development ( 20+ New Addresses )   | per application  | 0.00                                      | e   | 350.00             |
| 237                     | Change of House Name or Commercial Property Name          | per application  | 25.00                                     | e   | 25.00              |
| 238                     | Change of Building Name (eg block of flats)               | per application  | 100.00                                    | e   | 0.00               |

Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |  |                                       | 2019/2020      | 2020/2021      |     | Increase   |
|-------------------------|--|---------------------------------------|----------------|----------------|-----|------------|
|                         |  |                                       | Current        | Proposed       |     |            |
|                         |  |                                       | charge         | charge         |     |            |
|                         |  |                                       | £pence         | £pence         | VAT | £pence     |
| 239                     | Street Renaming  | per application                       | 200.00         | 200.00         | e   | 0.00       |
| 240                     |  | plus per property                     | 25.00          | 25.00          | e   | 0.00       |
| 241                     | Alterations to SNN Scheme after SNN confirmation                           | per application                       | 0.00           | 350.00         | e   | 350.00     |
| 242                     |  | per plot/unit                         | 25.00          | 25.00          | e   | 0.00       |
| 243                     | Confirmation of postal address to solicitors or conveyancers               |                                       | 25.00          | 25.00          | e   | 0.00       |
| 244                     | <b>Total Current Estimated Annual Income (Street Naming and Numbering)</b> |                                       | <b>12,500</b>  | <b>12,500</b>  |     | <b>0</b>   |
| 245                     |  |                                       |                |                |     |            |
| 246                     | <b>ALLOTMENTS</b>  | per year per plot (253 square metres) | 67.00          | 70.00          | e   | 3.00       |
| 247                     | <b>Total Estimated Annual Income (Allotments)</b>                          |                                       | <b>1,000</b>   | <b>1,000</b>   |     | <b>0</b>   |
| 248                     |  |                                       |                |                |     |            |
| 249                     | <b>CEMETERIES</b>  |                                       |                |                |     |            |
| 250                     | Internment   | 1.83m (equivalent to 6 feet)          | 870.00         | 896.00         | e   | 26.00      |
| 251                     |  | 2.29m (equivalent to 7 feet 6 inches) | 1,150.00       | 1,185.00       | e   | 35.00      |
| 252                     |  | 2.74m (equivalent to 9 feet)          | 1,530.00       | 1,575.00       | e   | 45.00      |
| 253                     |  | cremated remains                      | 260.00         | 270.00         | e   | 10.00      |
| 254                     |  | stillborn child (under 1 month)       | free           | free           |     | n/a        |
| 255                     |  | child (under 12 years)                | free           | free           |     | n/a        |
| 256                     |  | in existing vault                     | actual cost    | actual cost    | e   | n/a        |
| 257                     | Interred ashes in Garden of Rest   |                                       | 260.00         | 267.80         | e   | 7.80       |
| 258                     | Purchase of Burial Rights  | ordinary 50 years                     | 1,100.00       | 1,135.00       | e   | 35.00      |
| 259                     |  | special 50 years                      | 1,130.00       | 1,165.00       | e   | 35.00      |
| 260                     | Designated child space   | 50 years                              | 380.00         | free           | e   | n/a        |
| 261                     | Garden of Rest   |                                       | 290.00         | 300.00         | e   | 10.00      |
| 262                     | Right to erect/place on grave or vault                                     | Headstone                             | 210.00         | 216.00         | e   | 6.00       |
| 263                     |  | Kerbstone or Border                   | 260.00         | 268.00         | e   | 8.00       |
| 264                     |  | Flatstone or Wall Tablet              | 210.00         | 216.00         | e   | 6.00       |
| 265                     |  | Additional Inscription                | 100.00         | 103.00         | e   | 3.00       |
| 266                     | Chapel   |                                       | 90.00          | 95.00          | i   | 5.00       |
| 267                     | Searches   |                                       | 30.00          | 31.00          | i   | 1.00       |
| 268                     | Transfer of Grant Ownership  |                                       | 70.00          | 73.00          | e   | 3.00       |
| 269                     | Exhumation   |                                       | actual cost    | actual cost    | e   | n/a        |
| 270                     | <b>Total Current Estimated Annual Income (Cemeteries)</b>                  |                                       | <b>140,300</b> | <b>141,000</b> |     | <b>700</b> |
| 271                     |  |                                       |                |                |     |            |
| 272                     | <b>PARKS AND OPEN SPACES</b>   |                                       |                |                |     |            |
| 273                     | Hire of Sports Pitches   | per game or session                   |                |                |     |            |
| 274                     | - Football and Rugby   | adult rate                            | 65.00          | 67.00          | s   | 2.00       |
| 275                     |  | adult training rate                   | 32.00          | 33.00          | s   | 1.00       |
| 276                     |  | juniors rate                          | 32.00          | 33.00          | s   | 1.00       |
| 277                     |  | juniors training rate                 | 16.00          | 17.00          | s   | 1.00       |
| 278                     |  |                                       |                |                |     |            |
| 279                     |  | Malling                               |                |                |     |            |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   | 2019/2020<br>Current<br>charge<br>£pence | 2020/2021<br>Proposed<br>charge<br>£pence | VAT | Increase<br>£pence |
|-------------------------|---|--|---|-----|--------------------|
| 280                     | adult rate                                | 46.00                                    | 48.00                                     | s   | 2.00               |
| 281                     | adult training rate                       | 21.00                                    | 22.00                                     | s   | 1.00               |
| 282                     | juniors rate                              | 21.00                                    | 22.00                                     | s   | 1.00               |
| 283                     | juniors training rate                     | 10.00                                    | 11.00                                     | s   | 1.00               |
| 284                     |   |  |   |     |                    |
| 285                     | Telscombe minis                           | 10.00                                    | 11.00                                     | s   | 1.00               |
| 286                     |   |  |   |     |                    |
| 287                     | Changing rooms only                       | 34.00                                    | 36.00                                     | s   | 2.00               |
| 288                     |   |  |   |     |                    |
| 289                     | - Cricket                                 |  |   |     |                    |
| 290                     | grass day rate                            | 68.00                                    | 70.00                                     | s   | 2.00               |
| 291                     | grass evening rate                        | 30.00                                    | 31.00                                     | s   | 1.00               |
| 292                     | grass juniors rate                        | 34.00                                    | 36.00                                     | s   | 2.00               |
| 293                     |   |  |   |     |                    |
| 294                     | artificial day rate                       | 52.00                                    | 54.00                                     | s   | 2.00               |
| 295                     | artificial evening rate                   | 23.00                                    | 24.00                                     | s   | 1.00               |
| 296                     | artificial juniors rate                   | 26.00                                    | 27.00                                     | s   | 1.00               |
| 297                     |   |  |   |     |                    |
| 298                     | changing rooms only                       | 37.00                                    | 39.00                                     | s   | 2.00               |
| 299                     | - Stoolball                               |  |   |     |                    |
| 300                     | day rate                                  | 46.00                                    | 48.00                                     | s   | 2.00               |
| 301                     | evening rate                              | 24.00                                    | 25.00                                     | s   | 1.00               |
| 302                     | - Bowling                                 |  |   |     |                    |
| 303                     | season ticket                             |  |   |     |                    |
| 304                     | - adult                                   | 115.00                                   | 119.00                                    | s   | 4.00               |
| 305                     | - junior                                  | 58.00                                    | 60.00                                     | s   | 2.00               |
| 306                     | - concessions                             | 77.00                                    | 80.00                                     | s   | 3.00               |
| 307                     |   |  |   |     |                    |
| 308                     | per hour per person                       |  |   |     |                    |
| 309                     | - adult                                   | 2.10                                     | 3.00                                      | s   | 0.90               |
| 310                     | - juniors and concessions                 | 1.70                                     | 2.00                                      | s   | 0.30               |
| 311                     |   |  |   |     |                    |
| 312                     | visiting teams per rink                   | 14.00                                    | 15.00                                     | s   | 1.00               |
| 313                     | - Croquet                                 |  |   |     |                    |
| 314                     | croquet field                             | 17.00                                    | 18.00                                     | s   | 1.00               |
| 315                     | Hire of Open Spaces                       |  |   |     |                    |
| 316                     | - Commercial Organisations                |  |   |     |                    |
| 317                     | small event - per day                     | 670.00                                   | 690.00                                    | e   | 20.00              |
| 318                     | small event - half day (maximum 4 hours)  | 335.00                                   | 345.00                                    | e   | 10.00              |
| 319                     | medium event - per day                    | 1,250.00                                 | 1,290.00                                  | e   | 40.00              |
| 320                     | medium event - half day (maximum 4 hours) | 625.00                                   | 645.00                                    | e   | 20.00              |
|                         | large event - per day                     | negotiable                               | negotiable                                | e   | n/a                |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |  |   | 2019/2020     | 2020/2021     |     | Increase    |
|-------------------------|--|---|---------------|---------------|-----|-------------|
|                         |  |   | Current       | Proposed      |     |             |
|                         |  |   | charge        | charge        | VAT | £pence      |
|                         |  |   | £pence        | £pence        |     |             |
| 321                     |  | Fitness / Exercise classes per hour (4+ persons)                          | 55.00         | 57.00         | e   | 2.00        |
| 322                     | - Not For Profit Organisations (per day)                               | Within District - up to 100% discount                                     | free          | free          |     | 0.00        |
| 323                     |  | Outside District - discounts from 0% - 50% on commercial fees shown above |               |               |     |             |
| 324                     |  | Abseil events - Charity fundraising                                       | free          | free          |     | 0.00        |
| 325                     | <b>Total Current Estimated Annual Income (Parks &amp; Open Spaces)</b> |   | <b>54,000</b> | <b>53,700</b> |     | <b>-300</b> |
| 326                     |  |   |               |               |     |             |
| 327                     | <b>WASTE COLLECTION</b>  |   |               |               |     |             |
| 328                     | <b>Domestic</b>  |   |               |               |     |             |
| 329                     | Bulky waste  | 5 items or 10 bags  | 50.00         | 50.00         | e   | 0.00        |
| 330                     |  | 10 items or 20 bags   | 75.00         | 75.00         | e   | 0.00        |
| 331                     |  |   |               |               |     |             |
| 332                     | Fridges and freezers   |   | 35.00         | 35.00         | e   | 0.00        |
| 333                     |  |   |               |               |     |             |
| 334                     | All other domestic charges by application                              |   |               |               |     |             |
| 335                     |  |   |               |               |     |             |
| 336                     | <b>Prescribed household</b>  |   |               |               |     |             |
| 337                     | Clinical waste   | in multiples of 10 bags and labels  | 35.00         | 35.00         | s   | 0.00        |
| 338                     |  |   |               |               |     |             |
| 339                     | <b>Other</b>   |   |               |               |     |             |
| 340                     | Dog bin emptying   | on street collections (per bin)   |               |               |     |             |
| 341                     | - single compartment dog waste   |   | 6.00          | 6.00          | s   | 0.00        |
| 342                     | - single compartment litter and dog waste                              |   | 1.74          | 1.74          | s   | 0.00        |
| 343                     | - separate compartments litter and dog waste                           |   | 3.48          | 3.48          | s   | 0.00        |
| 344                     | - single compartment litter  |   | 1.75          | 1.75          | s   | 0.00        |
| 345                     |  |   |               |               |     |             |
| 346                     | - single compartment dog waste   | on street purchase (per bin)  | 249.99        | 249.99        | s   | 0.00        |
| 347                     | - single compartment litter  |   | 249.99        | 249.99        | s   | 0.00        |
| 348                     | - single compartment litter and dog waste                              |   | 249.99        | 249.99        | s   | 0.00        |
| 349                     |  |   |               |               |     |             |
| 350                     | - single compartment dog waste   | on street installation (per bin)  | 80.00         | 80.00         | s   | 0.00        |
| 351                     | - single compartment litter  |   | 80.00         | 80.00         | s   | 0.00        |
| 352                     | - single compartment litter and dog waste                              |   | 80.00         | 80.00         | s   | 0.00        |
| 353                     | Black sacks cat / dog litter   | 18 bags   |               | 57.60         | s   | 57.60       |
| 354                     | Box of refuse bags (360)   |   | 32.50         | 32.50         | s   | 0.00        |
| 355                     | Box of refuse bags (1000)  |   | 58.50         | 58.50         | s   | 0.00        |
| 356                     | Sharps 1-4 buckets each  |   | 12.95         | 12.95         | s   | 0.00        |
| 357                     | Sharps 5 (large)   |   | 38.75         | 38.75         | s   | 0.00        |
| 358                     | Dead animal removal  | minimum charge depending on size of animal                                | 25.00         | no charge     | s   | (25.00)     |
| 359                     |  |   |               |               |     |             |
| 360                     | 140 wheelie bin  |   | 35.00         | 35.00         | s   | 0.00        |

## Lewes District Council Fees and Charges Proposals 2020/2021

| By Service and Activity |   | 2019/2020                                     | 2020/2021      |               | Increase |          |
|-------------------------|---|---|----------------|---------------|----------|----------|
|                         |   | Current                                       | Proposed       |               |          |          |
|                         |   | charge  | charge         |               |          |          |
|                         |   | £pence  | £pence         | VAT           | £pence   |          |
| 361                     | 240 wheelie bin   | 47.50   | 47.50          | s             | 0.00     |          |
| 362                     | 770 euro bin  | 275.00  | 275.00         | s             | 0.00     |          |
| 363                     | 1100 euro bin   | 300.00  | 300.00         | s             | 0.00     |          |
| 364                     |   |   |                |               |          |          |
| 365                     | Special events (per bin)  | 4.50  | 4.50           | s             | 0.00     |          |
| 366                     |   |   |                |               |          |          |
| 367                     |   |   |                |               |          |          |
| 368                     | <b><u>Green waste</u></b>   |   |                |               |          |          |
| 369                     | Annual Green Waste Collection Service   | 70.00   | 70.00          | e             | 0.00     |          |
| 370                     | Second half price green waste collection service  |   | 35.00          |               | 35.00    |          |
| 371                     | <b>Total Current Estimated Annual Income (Waste Collection excluding Commercial Trade Waste))</b> | <b>446,500</b>                                | <b>446,500</b> |               | <b>0</b> |          |
| 372                     |   |   |                |               |          |          |
| 373                     | <b>Council Tax and Business Rates</b>   |   |                |               |          |          |
| 374                     | Recovery action   |   |                |               |          |          |
| 375                     | Summons cost  | 52.50   | 52.50          | e             | 0.00     |          |
| 376                     | Liability order   | 30.00   | 30.00          | e             | 0.00     |          |
| 377                     | <b>Total Current Estimated Annual Income (Council Tax and Business Rates)</b>                     | <b>210,000</b>                                | <b>210,000</b> |               | <b>0</b> |          |
| 378                     | <b>Legal Services</b>   |   |                |               |          |          |
| 379                     | An illustrative set of charges is listed below.   |   |                |               |          |          |
| 380                     | Other charges by application and more complex transactions by negotiation                         |   |                |               |          |          |
| 381                     |   |   |                |               |          |          |
| 382                     | Section 106 agreement   | time spent x hourly rate                      | £540 minimum   | £540 minimum  | z        | 0.00     |
| 383                     | Lease   | time spent x hourly rate                      | £825-£2,750    | £825-£2,750   | s        | 0.00     |
| 384                     | Consent, Deed of Variation, Easement, Sale of Freehold  | time spent x hourly rate                      | £550-£2,000    | £550-£2,000   | s        | 0.00     |
| 385                     | Licence   | time spent x hourly rate                      | £900-£2,000    | £900-£2,000   | s        | 0.00     |
| 386                     | Right to Buy  | engrossment fee                               | 60.00          | 60.00         | s        | 0.00     |
| 387                     | Copying large/complicated agreements and plans  | including retrieval fee                       | 75.00          | 75.00         | s        | 0.00     |
| 388                     | Other copying (in addition to retrieval fee)  | per side copied                               | 0.50           | 0.50          | s        | 0.00     |
| 389                     | Other copying (where retrieval not required)  | minimum charge                                | 7.50           | 7.50          | s        | 0.00     |
| 390                     |   | plus per side copied                          | 0.50           | 0.50          | s        | 0.00     |
| 391                     |   |   |                |               |          |          |
| 392                     | <b>Estate Surveyor Services</b>   | <u>Commercial services</u>                    |                |               |          |          |
| 393                     | Lease - grant   | Per transaction                               | 500.00         | 500.00        |          | 0.00     |
| 394                     | Lease - Deed of Variation, Surrender  | Per transaction                               | 400.00         | 400.00        |          | 0.00     |
| 395                     | Lease - ancillary transactions (e.g. licences to assign)  | Per transaction                               | 250.00         | 250.00        |          | 0.00     |
| 396                     | Licence (e.g. scaffolding and other temporary structures)   | Per transaction                               | 250.00         | 250.00        |          | 0.00     |
| 397                     | Garden Licence  | Per transaction dependant on time spent (max) | 250.00         | 250.00        |          | 0.00     |
| 398                     | Disposal/Wayleave/Easement  | Per transaction                               | 500.00         | 500.00        |          | 0.00     |
| 399                     | <b>Total Current Estimated Annual Income (Estate Surveyor Services)</b>                           |   | <b>15,000</b>  | <b>15,000</b> |          | <b>0</b> |
| 400                     |   |   |                |               |          |          |
| 401                     | <b>Land Charges</b>   |   |                |               |          |          |



**Lewes District Council Fees and Charges Proposals 2020/2021**

By Service and Activity

402 An illustrative set of the main charges is listed below.

The full list of fees and charges is available from the Council web site at [www.lewes.gov.uk](http://www.lewes.gov.uk)

403

404 Official Search of the Local Land Charges Register (LLC1)

search of the whole register

| 2019/2020<br>Current<br>charge<br>£pence | 2020/2021<br>Proposed<br>charge<br>£pence | VAT | Increase<br>£pence |
|--|---|-----|--------------------|
| 16.00                                    | 16.00                                     | e   | n/a                |
| 81.00                                    | 87.00                                     | s   | n/a                |
| <b>135,000</b>                           | <b>125,000</b>                            |     | <b>-10,000</b>     |

405

406 CON29 Part 1 – required enquiries

407 **Total Current Estimated Annual Income (Land Charges)**

408

409 **Register of Electors**

Statutory fees

410 Paper copy

Set up fee

|       |       |   |      |
|-------|-------|---|------|
| 10.00 | 10.00 | s | 0.00 |
|-------|-------|---|------|

411

plus per 1,000 names

|      |      |   |      |
|------|------|---|------|
| 5.00 | 5.00 | s | 0.00 |
|------|------|---|------|

412

413 Electronic copy

Set up fee

|       |       |   |      |
|-------|-------|---|------|
| 20.00 | 20.00 | s | 0.00 |
|-------|-------|---|------|

414

plus per 1,000 names

|      |      |   |      |
|------|------|---|------|
| 1.50 | 1.50 | s | 0.00 |
|------|------|---|------|

415 **Total Current Estimated Annual Income (Register of Electors)**

|              |              |  |          |
|--------------|--------------|--|----------|
| <b>1,000</b> | <b>1,000</b> |  | <b>0</b> |
|--------------|--------------|--|----------|

416

417 **TOTAL CURRENT ESTIMATED ANNUAL INCOME FOR ALL SERVICES**

|                  |                  |  |               |
|------------------|------------------|--|---------------|
| <b>2,800,800</b> | <b>2,815,200</b> |  | <b>14,400</b> |
|------------------|------------------|--|---------------|

418

Inflationary increase at 2%  
Income target for 2020/21

|                  |
|------------------|
| 56,000           |
| <b>2,856,800</b> |

Page 409

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

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