

Scrutiny Committee

6 February 2020



Time and venue:

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

Membership:

Councillor Joe Miller (Chair); Councillors Liz Boorman (Deputy-Chair) Robert Banks, Nancy Bikson, Christine Brett, Roy Burman, Isabelle Linington, Milly Manley, Christine Robinson, Adrian Ross, Steve Saunders and Roy Clay

Quorum: 2

Published: Wednesday, 29 January 2020

Agenda

1 **Minutes of the previous meeting** (Pages 5 - 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 **Written Questions from Councillors**

To deal with written questions from councillors pursuant to Council Procedure Rule 12.3 (page D8 of the Constitution).

6 **Final report of the Scrutiny Seaford Health Hub Panel** (Pages 15 - 50)

Report of the Assistant Director Legal and Democratic Services.

7 **Eastbourne & Lewes Community Safety Partnership - Annual Report for Lewes.** (Pages 51 - 60)

Report of the Deputy Chief Executive (Director of Regeneration and Planning).

- 8 Meeting the Housing Needs of the District's Young People** (Pages 61 - 68)
Report of the Deputy Chief Executive (Director of Regeneration and Planning).
- 9 Voluntary sector support** (Pages 69 - 80)
Report of Deputy Chief Executive (Director of Regeneration and Planning).
- 10 Lewes District Council Draft Budget proposals 2020/21** (Pages 81 - 170)
Report of the Chief Finance Officer
- General fund budget 2020/21 and capital programme
 - Housing revenue account budget 2020/21
 - Treasury Management and Prudential Indicators 2020/21, Capital Strategy & Investment Strategy
- 11 Lewes District Council Corporate Plan 2020-2024** (Pages 171 - 182)
Report of the Deputy Chief Executive (Director of Regeneration and Planning).
- 12 Portfolio Progress and Performance Report 2019/20- Quarter 3** (Pages 183 - 206)
Report of the Deputy Chief Executive (Director of Regeneration and Planning).
- 13 Scrutiny Emergency Climate Change Panel - verbal update**
- 14 Forward Plan of Decisions** (Pages 207 - 234)
To receive the Forward Plan of the Council.
- 15 Scrutiny Work Programme** (Pages 235 - 236)
To receive the Scrutiny Work Programme.

Exclusion of the Public and Press

To consider, under Section 100(A)(4) of the Local Government Act 1972 (as amended), excluding the public and press from the meeting during the discussion of item 16 on this agenda, as there are likely to be a disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act (ie information relating to the financial or business affairs of any particular person (including the authority holding that information)). It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 16 Final report of the Scrutiny Seaford Heath Hub Panel - Exempt Appendix 6**
(Pages 237 - 238)
- 17 Date of Next Meeting**

To note that the next meeting of the Scrutiny Committee is scheduled to be held on Monday 19 March in the Ditchling Room, Southover House, Southover Road, Lewes commencing at 2:00pm.

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.

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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

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Scrutiny Committee

Minutes of meeting held in Ditchling Room at Southover House, Southover Road, Lewes, BN7 1AB on 12 September 2019 at 2.00 pm

Present:

Councillor Joe Miller (Chair)

Councillors Robert Banks, Nancy Bikson, Liz Boorman, Roy Burman, Isabelle Linington, Milly Manley, Christine Robinson, Adrian Ross and Steve Saunders

Officers in attendance:

Jo Harper (Head of Business Planning and Performance), Millie McDevitt (Performance and Programmes Lead), Gary Hall (Head of Homes First), Catherine Knight (Assistant Director of Legal and Democratic Services), Nick Peeters (Committee Officer), Leighton Rowe (Development Project Manager), Tim Whelan (Director of Service Delivery) and Simon Watts (Interim Lead, Homes First)

1 Appointment of a Vice-Chair

The Chair, Councillor Joe Miller, proposed Councillor Liz Boorman as Vice-Chair and this was seconded by Councillor Nancy Bikson.

RESOLVED – that Councillor Liz Boorman be appointed as Vice-Chair of the Scrutiny Committee.

2 Minutes of the previous meeting

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

3 Apologies for absence

Apologies for absence were received from Councillor Christine Brett.

4 Declarations of Interest

Councillor Steven Saunders declared a non-pecuniary interest in item 10 on the agenda, Scrutiny Seaford Health Hub Panel Update, as a member of the Wave Leisure Trust. It was noted that Councillor Saunders had no involvement in the Panels's work.

5 Urgent Items

There were no urgent items.

6 Written Questions from Councillors

There were no written questions from Councillors.

7 Quarterly Performance report - Quarter 1

Millie McDevitt, Performance and Management Lead, introduced the report which provided detail of the Council's performance in Quarter 1 2019/20 (1 April – 30 June 2019). During discussion the following points were highlighted:

Target completion dates for Council projects – the Committee sought clarification on a number of completion dates for projects included in the Regeneration and Business, and the Finance and Corporate Projects and Programmes sections of the report. Officers agreed to discuss the issue with the relevant project managers and where available to provide detail on interim milestones/dates and on the status of those projects.

Calls to the Contact Centre – Officers advised Members that during quarter 1 the volume of calls to the Contact Centre had increased significantly, generated predominantly through the issuing of council tax, business rate bills and election related enquiries. There had also been two elections in May (European and local elections). The performance indicators for this area were under review and would in the future look at the quality of the call response as well as the speed of the response. Members suggested that the volume of calls answered during peak times be analysed.

Homes First presentation – Simon Watts, Interim Lead, Homes First Property Services, updated the Committee on the work being undertaken towards managing void properties and re-let times 'Key to Key'. During discussion the following points were highlighted:

- The charge-back process allowed the Council to recover costs for voids and all other day-to-day repairs where tenants caused damage. The Homes First team was responsible for managing void repairs and Mears managed day-to-day repairs. Collection rates were currently low and work was being done towards improving the monitoring of the process. A sundry debtor's account would be set-up and tighter control would be introduced to ensure tenants took more responsibility for any damage. The main incentive for tenants who left properties in a poor condition was that, at some point, they may need to join the property list again. There would also be opportunities for money orders (through the County Court) to be included in cases of repossession.
- The void timetable had been officer led using good practice. The opportunity for Member input into the timetable would be suggested to the Council's Corporate Management Team.

- Each void property was pre and post inspected and a number of properties were turned around in five days. However, there were properties requiring significant refurbishment, modernisation and investment, increasing the average cost across all void properties. There was not currently sufficient data across the Council's stock to determine the condition of the properties, including the presence of asbestos, requiring the Council to undertake full refurbishment and demolition (R&D) surveys. As an organisation, Mears sub-contracted any work involving asbestos, which extended the period of re-let time and added to the overall costs. Existing contracts would be reviewed and where possible value-for-money would be improved.
- Homes First was using a new IT system and efforts would be made to look at the void property spend in previous years, particularly on the individual elements such as electrics/rewiring, boiler repairs/replacements. Benchmarking with other organisations (including those that used Mears) would be undertaken, following the design of the 'schedule of rates'. This would allow consideration of different delivery models.
- Lewes District Council had a capital budget of £4.8 million for housing repairs (major, planned and cyclical). The response rate of 13000 over 3,000 properties (an average of approximately 4 per property) did not vary to any great extent from the average. Eighty percent of the data used to monitor repairs was from a two year old, twenty percent survey. Newer surveys would be undertaken.
- The Committee requested that the Homes First Team report back in a year's time with an update on the voids/re-letting position.
- The change of categories for 'priority need' within the 2007 Homeless Reduction Act had contributed to an increase in the numbers of households in emergency accommodation. There was a work-stream now ongoing dedicated to reducing the current figure.

Planning performance – the performance indicators for planning applications were subject to fluctuation from quarter to quarter, however, the current targets for major and minor planning applications had been exceeded. New ways of working, including new IT systems, would need to be embedded before staff resources were looked at.

RESOLVED

- a) To note the progress and performance for Quarter 1 as well as the overall performance for 2019/20; and
- b) Recommend to the Cabinet that the target dates and interim milestones for Council projects be reviewed.

8 Request for a Climate Change Scrutiny Panel

Jo Harper, Head of Business Planning and Performance, introduced the report which requested the Scrutiny to consider the establishment of a Scrutiny Panel on Climate Change in line with resolutions made by both the Cabinet and Full Council (following the declaration of a climate change emergency).

During discussion the following points were highlighted:

Members agreed that appointing a Panel was a positive step towards supporting the Council in addressing climate change issues and a composition of five Members was appropriate. It was further agreed that, in principle, the Panel would operate until 2030 (the duration of the Council's Climate Change Strategy), but that a more practical approach was for an annual review of the Panel's duration to be undertaken.

RESOLVED by a majority vote that:

- a) A Climate Change Scrutiny Panel, comprising five members of the Scrutiny Committee, be established to fulfil the tasks set out at para 2.1 in the report as follows
- To scrutinise the progress of work being undertaken by the council in tackling climate change.
 - To receive progress reports on the strategy, policy and actions enacted by the council to address the climate emergency.
 - To monitor the implementation of recommendations made by the Climate Action Group, agreed by Cabinet on 1 July 2019.
 - To undertake policy development activities assisting in the formulation of climate change mitigation and adaptation proposals.
 - To invite appropriate experts to provide advice and information to help inform policy development work in relation to climate change.
 - To promote the council's work in this area, engaging with and building partnerships, alongside the Cabinet Member for Sustainability; and
- b) That the Panel meet at regular intervals on an annual basis, with the duration of the Panel to also be reviewed on an annual basis.

9 Request for scrutiny of Cabinet decision on the demolition of offices and construction of housing at 20 Fort Road, Newhaven

Leighton Rowe, Housing Policy and Development Manager, introduced the item and provided a summary of the scheme:

The decision to progress the scheme for 13 flats (7 one bedroom and 6 two bedroom) had been taken by the Full Council in February 2018 and focused on reducing the number of households in temporary accommodation.

Several other sites in the district had been considered (Lewes, Peacehaven). The Seaford site had been identified as one where the scheme could be built out expediently, in order to respond to the need for housing.

The Council's Regeneration Team had looked at alternative uses for the building and when the original report was produced it had been determined that there was an oversupply of office and employment space.

A development opportunity to include the wider site (including the neighbouring fire station) had been considered. However, there were a number of issues that made this a complicated option.

The Newhaven Neighbourhood Plan had identified the site as suitable for six homes (as part of renovation scheme); however, it was considered that the site would have more potential following a full demolition and the building of 13 flats.

The contract had been looked at again as the costs had risen and the current overall estimate was £2.9 million. The scheme was for modular housing and a local supplier/builder, based in Newhaven, was being considered. Several specifications that met the Council's sustainability and fire safety requirements had been built into the scheme and had been costed for.

The scheme build had a 60 year life-span and had originally been promoted as a temporary accommodation development to reduce the numbers in bed & breakfast. However, there was also the opportunity for the whole scheme to be delivered as the Council's own housing stock.

- Councillor Saunders had asked for the scheme to be considered by the Scrutiny Committee. His concerns were:
 - A reason had not been provided for not considering sites in other areas where demolition would not be needed.
 - There had always been a need for office and business start-up space in Newhaven. The Council Offices were suitable for conversion to this type of space.
 - The demolition of the council offices site would be costly, including removal of asbestos if it was present.
 - The land value, when added on to the overall costs made the scheme unviable and was not the best use of the Council's funds.

During discussion the following points were highlighted.

- Had Lewes District Council borne all the costs to date for the scheme?
- The Council had paid the architects fees. Other work had been undertaken by officers and was part of Council's own staffing costs.
- What was the square meterage of the units?
 - The two bedroom units were 70 square meters and the one bedroom units were 50 square meters. The average cost was £223,000 per unit (£3436 per square meter, including communal spaces). The current estimate for the value of the built-out development was £2.7 million. An independent valuation would be undertaken as part of the process.
- Members expressed a preference in the development being made available under general market rent.
- What were the rental values of the units?
 - The one bedroom flats would have a rental value of up to approximately £145.00 and the two bedroom flats would have a rental value of up to £166.00. The rental value was 80 percent of the market level.
- The proposals provided an opportunity for the Council to demonstrate its support of green technology. Should the development proceed, a review of the scheme could be undertaken to better inform future sites where similar schemes could be considered.
- How much extra had the green technology added to the overall costs and what would happen to the office building if the proposals did not move forward?
 - The additional costs for the sustainability measures were £314,000. The costs of ground works would be provided to the Panel after the meeting. Some of the cost savings would be to the benefit of tenants rather than the Council.
 - In terms of the site's future if left as it was, there were two possible options: either it would remain empty until the town council and fire and rescue sites became available (which could be ; or there would be a relook at the costs of refurbishing the building for residential or office space.
- What specifications would the modular builds have that traditional builds did not?
 - The Council was looking to improve the specification of its traditional builds, with a higher quality fabric. The modular build

was chosen because the build time was quicker and there was less disruption. The sustainable infrastructure in the modular builds would include mechanical ventilation systems, and less heating would be required.

RESOLVED by a majority that:

1. The scheme be supported;
2. It be recommended that the units be made available for permanent accommodation, through the Council's Housing Service; and to those with a local need.
3. The adjoining sites be monitored and the Council explore opportunities for development if and when they become available; and

The costs of the development (and similar schemes) be reviewed as part of the Committee's work programme.

- The Council was looking to improve the specification of its traditional builds, with a higher quality fabric. The modular build was chosen because the build time was quicker and there was less disruption. The sustainable infrastructure in the modular builds would include mechanical ventilation systems, and less heating would be required.

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2. It be recommended that the units be made available for permanent accommodation, through the Council's Housing Service; and to those with a local need.
3. The adjoining sites be monitored and the Council explore opportunities for development if and when they become available; and
4. The costs of the development (and similar schemes) be reviewed as part of the Committee's work programme.

10 Scrutiny Seaford Health Hub Panel - update

Councillor Christine Robinson, Chair of the Scrutiny Seaford Health Hub Panel, updated the Committee on the Panel's work. Councillor Robinson highlighted the following points.

- The Panel, comprising Councillors Robinson, Liz Boorman, Brett, Burman and Clay (as a substitute for Councillor Dale), had been established to look at the implications of the Seaford Health Hub proposals.

- The “Downs Development Neighbourhood Voice” had presented a petition containing in excess of 1,500 signatures to the 15 July Full Council meeting asking for a halt to the Development on the Downs Leisure Centre site. The Petition was referred to the 25 September Full Council meeting for debate. The Scrutiny Seaford Health Hub Panel was asked to consider the petition also.
- The Scrutiny Committee was requested to approve the Panel’s terms of reference and upon conclusion of its work the Panel proposed that its recommendation(s) would be made directly to the Cabinet. The Committee was asked to agree this course.
- The Panel did not feel It was appropriate to comment at the time on any of the representations as it had not heard from all those who had made representations and been invited to respond.

Catherine Knight, Assistant Director Legal and Democratic Services, advised Members that there was a likelihood that there was a Scrutiny Committee meeting scheduled for 28 November

During discussion the following points were highlighted:

- There had not been any clear evidence provided as to why the Dane Road site could not be reconfigured to meet the requirements of the GPs.
 - The issue had been discussed at the Panel’s most recent meeting and would form part of the final report and evidence gathering.

RESOLVED to note the Panel’s update and agree that the final report and recommendations be presented to the Cabinet for consideration.

11 Chair of the Council's Annual Business Report

Catherine Knight, Assistant Director of Legal and Democratic Services, introduced the report which provided details of the work of the Chair of Lewes District Council, Councillor Stephen Gauntlet and the Vice-Chair, Councillor Johnny Denis, throughout 2018/19. The report also detailed the engagements attended by the Chair and Vice-Chair during the period.

There was no discussion on this item.

RESOLVED to note the report.

12 Forward Plan of Decisions

The Chair, Councillor Miller, introduced the report and advised Members that it was a standing item on the agenda for noting.

There was no discussion on the item.

RESOLVED to note the Forward Plan of Decisions.

13 Scrutiny Work Programme

Catherine Knight, Assistant Director, Legal and Democratic Services, introduced the report which included a draft of the Committee's work programme for 2019/20. The Committee was advised that some of the topics already discussed in the meeting could be considered for inclusion in the work programme. The Committee was also advised that, where it proved to be useful, presentations on topics could be provided prior to the start of Scrutiny Committee meetings.

During discussion the Committee requested that the following items be considered as part of its work programme:

- Waste and Recycling in the District, information for residents on recyclables to include levels of fly-tipping and enforcement.
- The setting up of the Scrutiny Climate Change Panel which, in part, may also to the Planning policy for alternative energy supplies for new housing (Private and Lewes District Council Provision) and impact on build costs.
- Annual Lewes District Community Safety Partnership Report to include anti-social behaviour in the District.
- Tourism in the District.
- Sustainable Transport and supporting the economy, which could include cross-border work looking at park-and-ride, the A259 and A27
- Supporting Young people in the District, including youth services, how to get young people on the housing ladder.
- Briefing on Newhaven developments and more broadly the approach to development on small sites and sustainability.

RESOLVED to agree the Committee's draft work programme..

The meeting ended at 4.15 pm

Councillor Joe Miller (Chair)

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Report to: Scrutiny Committee

Date: 6 February 2020

Title: Final report of the Scrutiny Seaford Health Hub Panel

Report of: Assistant Director- Legal and Democratic Services

Ward(s): Seaford South

Purpose of report: To detail the work of the Scrutiny Seaford Health Hub Panel and provide recommendations for the Scrutiny Committee to consider.

Officer recommendation(s): That the Scrutiny Committee:

- 1) Thanks the Scrutiny Panel for its work; and
- 2) Considers the report and the Panel's conclusions and makes recommendations to Cabinet.

Name: Philip Brown
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E-mail: Philip.brown@lewes-eastbourne.gov.uk
Telephone number: 01273 085878

1. Introduction

- 1.1 This report asks members of the Scrutiny Committee to consider the findings of the Scrutiny Seaford Health Hub Panel and make recommendations to Cabinet.

2. Background information

- 2.1 At the 27 June 2019 meeting of the Scrutiny Committee the members discussed at length the issues around the proposals for a health hub to be located on the Downs Leisure Centre site. Following discussion the Committee resolved that a Panel would be appointed to look in-depth at the proposals and report back to the Committee once its work was complete.

3. Panel meetings

- 3.1 The Panel was made up of Councillors Christine Robinson, Christine Brett, Liz Boorman, Roy Clay and Roy Burman. Councillor Robinson was appointed as Chair and Councillor Brett as Vice-Chair.
- 3.2 The Panel met on nine occasions and carried out a thorough review of all the issues previously raised. During the meetings the Members listened to the views and received submissions from a wide range of stakeholders including residents and businesses in Seaford. The details of these are included in the

Panel's final report and appendices. The Scrutiny Committee received an update from Councillor Robinson on the Panel's work at its 12 September 2019 meeting.

- 3.3 The Panel has completed its work and the final report is presented to the Scrutiny Committee for consideration.

4. Financial appraisal

None other than those referred to in the report.

5. Legal implications

None other than those referred to in the report.

6. Appendices:

Appendix A – Final report of the Scrutiny Seaford Health Hub Panel and Appendices 1 to 5.

Appendix B – Exempt Appendix 6 to the Final Report of the Scrutiny Seaford Health Hub Panel. (This Appendix contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) i.e. Business and Financial information). The public interest in maintaining the exemption outweighs the public interest in disclosing the information).

7. Background Papers:

These are listed in the report of the Scrutiny Seaford Health Hub Panel.

Report of the Lewes District Council Scrutiny Seaford Health Hub Panel

Date:	28 January 2020
Purpose of report:	A review of the proposal for Lewes District Council to develop the Downs Leisure Centre Site in Seaford to include a new health hub, retail and residential.
Panel Members:	Councillors Christine Robinson (Chair), Christine Brett (Vice-Chair), Roy Burman, Liz Boorman and Roy Clay.

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Separate Document:

Exempt Appendix 6:	Summary of Exempt Evidence and Representations reviewed
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A Executive Summary and the Panel's Recommendation

1. The Panel's recommendation is for the Council not to progress the proposed development on the Downs Site of a health hub, unless and until all the following conditions have been satisfied:
 - a) It is established within a reasonable timescale (i.e. 12 months) by the NHS that there is no practical prospect of new GP premises being provided in Seaford through the redevelopment of the Seaford Medical Practice's existing Dane Road site together with the Richmond Road car park. For this purpose the Cabinet should be satisfied that the NHS has diligently carried out a full analysis of the viability of this option which should include all necessary surveys.
 - b) A revised design for the Downs Site is finalised, which excludes the residential and retail elements and relocates the new health hub building to the east of the existing leisure building.
 - c) The financial model for the revised design specified at point b) above must clearly demonstrate that the Council will make a suitable financial return commensurate with the risks involved, and that the required investment will not prevent the Council from investing in higher priority capital projects to the benefit of the whole of the District, due to the impact of that investment on the Council's borrowing limits.
2. The Panel is making this recommendation after following the Panel's remit (attached to this report as Appendix 2), carefully listening to and reviewing and balancing the evidence and representations which are summarised in Appendix 4, and reaching the conclusions set out in Part C below. In coming to its conclusions, the Panel considered the key issues identified in this report giving them the weight that the Panel considered fit and balancing the advantages and disadvantages of each of them.
3. Although the Panel reached a unanimous view on the substance of the recommendation to be made, a minority on the Panel would have preferred the recommendation to have been presented as a positive recommendation to proceed subject to qualifications.

B Background and History

The Downs Leisure Site and its History

The Downs Leisure Site is owned freehold by the Council. The extent of the site is shown edged red on the plan at **Appendix 1**. It currently includes the existing leisure centre, residential flats, accommodation used by the 60+ Club, recreation facilities and open green space. Prior to its acquisition in 1965 by the Council's predecessor, the site was used as a school.

The Proposed Scheme

Seaford is currently served by two GP practices located in the town centre. These are Seaford Medical Centre and Seaford Old School Surgery.

Over the last few years, the GP practices have been seeking new purpose built premises. A scheme had been agreed between the GPs and the NHS in 2009 but this was abandoned because of the global financial crisis.

Subsequent discussions with NHS bodies were ultimately unproductive and the GPs' consultant then approached the Council's Regeneration Team in 2017 to see if there were any available/suitable sites in its ownership. This was then referred to the Council's Property Team which was already undertaking a wider review of the Council's land and buildings as part of the Council's Asset Challenge initiative which aims to ensure that Council assets are financially sustainable in the longer term. The Downs Site had been identified under this review as a potential site for investment/additional uses (e.g. housing). This led to further discussions between the GPs and the Council.

These discussions resulted in proposals for a new development on the Downs Leisure Site to include a health hub, retail, residential flats and improvements to the existing leisure centre. The business plan prepared for the proposed development involves the Council paying the capital costs of the development and borrowing the capital funds required for the investment over a 40 year period.

The proposal in respect of the health hub is for the GPs to take a full repairing and insuring lease for a term of 25 years paying a market rent anticipated to be at least sufficient to service this debt during those 25 years.

The Council is not under any duty to provide primary healthcare facilities but it has the powers to do so.

The Panel's Remit

The Panel has been given a remit by the Scrutiny Committee to consider the advantages and disadvantages of the proposed development on the Downs Site at Sutton Road, Seaford to provide a health hub and other leisure, retail and residential facilities and to provide a recommendation to Cabinet as to whether or not the project should be progressed.

A copy of the agreed remit is attached to this report as **Appendix 2**.

Set out at **Appendix 3** is a list of all the stakeholders and advisors from whom the Panel received representations and evidence, together with a list of other documents taken into consideration.

Appendix 5 contains for ease of reference copies of two documents the detail of which is referred to in this report.

Appendix 4 and Exempt Appendix 6 each contain a summary of the evidence and representations reviewed by the Panel. These are summaries and are not intended to be comprehensive. Repetition of points made by more than one contributor has been avoided.

C Issues Considered

1. Assessment of health, well-being and community implications of the proposal

The Panel considered the evidence and representations summarised at **Appendix 4 (1)** and concluded as follows:

1. There is a widely recognised need for better healthcare provision in Seaford.
2. The current provision of healthcare services is limited because of lack of space and this is likely to become more problematic as the population of Seaford expands.
3. Purpose built premises could enable additional services which could result in shorter waiting times for patients.
4. The Panel notes that the lease for the existing premises for the Old School Surgery expires in May 2022. If there is no extension to the lease and an alternative premises in Seaford cannot be found, there is a risk that some primary care services may need to be provided outside of Seaford and some patients may need to be reallocated by the CCG to other surgeries outside of Seaford.
5. The new development would enable the practices to provide additional services to those currently provided including: (a) a travel clinic, (b) a non-dispensing pharmacist enabling someone other than GPs to offer a specialist service, (c) space for a mobile MRI scanner, and (d) outreach mental health clinics.
6. The CCG has confirmed that if the services are moved to the proposed new development on the Downs Site it will guarantee the supply of funding for additional services.
7. The proposed new development will be required to be built to standards of sustainability assessed as excellent using the Building Research Establishment Environmental Assessment Method (BREEAM). It will therefore have high sustainability credentials and so, in this respect, will be a benefit to the community.
8. The Panel considers that 'fit for purpose' premises for the two GP practices would be beneficial for staff retention and recruitment and should make their services more robust, but this was not necessarily linked directly to a development on the Downs Site.
9. The development should enable enhanced working between East Sussex Healthcare NHS Trust and both GP practices.
10. The Panel notes that the GP practices are committed to providing longer access hours (8am to 8pm Monday-Friday and some Saturday/Sunday cover) if the development proceeds.
11. The Panel notes that the GPs have provided additional space at their existing surgeries where possible, for example through the use of porta cabins. However, this has been limited. The GP Practices have made funding bids to other NHS bodies with a view to substantially improving the physical facilities at each surgery, which largely have been unsuccessful.
12. The development will enable greater and more effective integration of healthcare services with the wellbeing services currently provided by Wave Leisure at the existing Downs Leisure Centre. These will focus on preventative care and reduce demand on medical services. Evidence has been provided of the current benefits of such integration including the provision of fall prevention

classes by Wave Leisure and a statement from East Sussex Healthcare NHS Trust (ESHT) that it would not have met its targets without Wave Leisure's support.

The Panel balanced the possible benefits of the proposed development mentioned above with the following points:

1. The resulting loss of recreation space may in itself damage the health and wellbeing of the residents of Seaford. It is for this reason that the Panel is not recommending that the retail and residential elements of the scheme are progressed. This should reduce the loss of open space but the Panel recognises that there will still be a loss.
2. Other than in respect of point 12 above, similar benefits could be obtained from a similar size development elsewhere in Seaford which might result in no or a reduced loss of open space. It is recognised that there is potentially only one possible alternative site which is the existing Dane Road Site when combined with Richmond Road car park, and this is reflected in the Panel's overall recommendations.
3. Increased use of telecommunications in healthcare services is reducing the importance of the physical location of GP services and patients.
4. Some of the benefits mentioned above might be made available at the existing practice premises e.g. through extended hours.
5. Representations were made that the co-location of health and leisure facilities would have some adverse consequences as the noise from the leisure facilities was not conducive to patient care.

The Panel also considered the following points:

1. There is significant demand for new housing in Seaford. However the cost of developing housing on the Downs Site was relatively high and the site was not identified in the Local Plan as an area for housing development. It was therefore considered that the proposed residential element of the development was not an essential part of the scheme and its removal would provide some mitigation of the loss of green space.
2. The proposed development will involve the loss of the current premises used by the over 60's Club. However, the proposed development will provide the Club with alternative accommodation and the scheme is generally supported by the Club.
3. The inclusion of retail in the proposed development does not meet any obvious need in the community and had met with concerns from local residents. For those reasons and in order to further mitigate the loss of open space, the Panel is recommending that the retail element of the proposed development is not progressed.

2. Impact of movement of GPs from the Town Centre to the Downs Site

2.1 Economic impact on the Town Centre (including reduced footfall from staff and patients, possible alternative uses of current surgery premises, impact on pharmacy services)

The Panel considered the evidence and representations summarised at **Appendix 4 (2)** and concluded as follows:

1. It is reasonable to anticipate some level of reduced footfall in the town centre resulting from the relocation to the Downs Site.
2. No surveys had been carried out to assess any such impact and it was considered that it was unlikely that any survey carried out now would reveal the true picture. It was likely that there would be some adverse impact on town centre businesses but it was not possible to assess the scale of this.
3. A large percentage of GP repeat prescriptions from the two surgeries are prescribed electronically to the usual pharmacy which should limit the impact on footfall and on the revenue of the town centre pharmacists.
4. The Panel recommends that any new pharmacy in the development should be a satellite of an existing town centre pharmacy which would limit the impact on the revenue of town centre pharmacies.
5. In the event that the Seaford Medical Practice moves from its existing building and it consequently becomes surplus to NHS requirements, in order to mitigate any adverse effects on business in the town centre, the Panel recommends that efforts are made to ensure that the building is let to local start-up businesses or for other community uses. This could include the Council exploring the potential for purchasing the site for these purposes, should the opportunity arise.

2.2 Proximity to the existing Downs Leisure Centre

The Panel considered the evidence and representations summarised at **Appendix 4(2)** and concluded as follows:

1. The co-location of healthcare and wellbeing/leisure services resulting from the proposed development would enable a holistic approach to supporting the health and wellbeing of the people of Seaford.
2. The issue of noise from the leisure centre disturbing the provision of healthcare services was not considered to be strongly supported as there had been very few complaints about noise from the leisure centre. In addition, the Panel notes, as a result of discussions with Council Officers, that a potential new design could look to mitigate noise transfer. The Panel therefore recommends that proper regard is had to avoiding noise disturbance in the design phase should the scheme proceed.

2.3 Impact on patient journeys

The Panel considered the evidence and representations summarised at **Appendix 4(2)** and concluded as follows:

1. The GPs provided the Panel with heat maps showing the walking times of patients for the existing premises and the proposed development. However, it was hard to draw any firm conclusions from these maps. They appeared to indicate that the relocation would result in less short and long journeys and more medium length journeys. However, no account was taken of people not travelling on foot.
2. The Panel has been advised that bus routes could possibly be reviewed/changed but further engagement with bus companies would not take place until the pre-application planning stages of the development.

2.4 Traffic impact

The Panel considered the evidence and representations summarised at

Appendix 4(2) and concluded as follows:

1. The Panel considered that it could not come to a properly informed view on the impact of the development on local traffic. This would need to be the subject of a proper traffic impact assessment which it was understood would be carried out at the pre-application planning stage and the Panel is assuming that proper regard would be had to the results of any such assessment.
2. The Panel recommends that (if the scheme proceeds), the strongest possible case is made to those responsible for the provision of bus services to ensure that the Downs Site is properly served.
3. The Panel recommends that no new vehicular access/egress to Sutton Road is included in any development proposals for the Downs Site.

3. Impact on green space, public recreation (including free and paid for facilities) and wildlife habitat

The Panel considered the evidence and representations summarised at **Appendix 4(3)** and concluded as follows:

1. There is already a deficit of green space in the area.
2. The original proposal for the development would have resulted in the loss of green space. However, during the course of this review, Council Officers have put forward a further design option which would move the health hub element to the east of the site. The Panel's view is that this design should also exclude the retail and residential elements. The combined effect would be to reduce the total amount of green space lost. The garden would not be retained, but many trees will be. In addition, the petanque rink would need to be removed but could be relocated elsewhere.
3. A desktop survey of the site shows no notable habitats/species and no invasive/ non-native species. Bat surveys would need to be completed if the development is progressed and it is assumed that due regard would be had to the results of these.

4. Appraisal of availability and viability of other sites

The Panel considered the evidence and representations summarised at **Appendix 4(4)** and concluded as follows:

1. The Panel noted the report prepared by Charlie Grimble who is an advisor to the Seaford Neighbourhood Plan Group, which looked for viable alternatives to the Downs Site for the provision of new primary healthcare facilities in Seaford. Although the search was extensive, his view was that there was only one viable alternative site, which was on part of the Salts Recreation Ground. The report concluded that this site would be complex and involve expensive foundation works. It was also in a flood risk area (flood zone 3) which would be likely to involve additional expense and planning complications.
2. The Panel noted advice from Council Officers that a healthcare building could not be built in Flood Zone 3 (i.e. at the Salts Recreation Ground) unless there is no other alternative site. Given that the alternative of the Downs Site was available, the Salts Recreation Site would be ruled out by the sequential test required for development in Flood Zone 3.
3. The Panel noted that the Charlie Grimble report had looked at the option of

redevelopment of the existing Dane road site (but had not considered it being combined with Richmond Road car park). This option was dismissed by the report as it would likely require the GPs to decant and would involve unpredictable and possibly unaffordable foundation works.

4. The Panel noted that although the Vail Williams LLP Report ("Seaford Health Hub Dane Road and Alternative Site Appraisal" dated October 2019) indicated that there would be significant constraints to the redevelopment of the existing Dane Road Site and the adjoining Richmond Road Car Park, this alternative was not dismissed. Vail Williams LLP stated that the assessment of the viability of this site would require further design work.
5. The Panel considers viability work and all relevant surveys (including relevant geophysical surveys) should be carried out on the Dane Road and Richmond Car Park site. It is understood that the CCG has allocated a budget of £60,000 for the capital costs of any new development for the GP surgeries. The Panel would expect the NHS to pay for the costs of the surveys, whether from this budget or otherwise.

5 Financial viability of the Downs Site development

The Panel considered the evidence and representations summarised at **Appendix 4(5)** and concluded as follows:

1. The Panel was not provided with sufficient information to clearly demonstrate that the scheme would be financially viable. From what has been indicated by FMG Consulting Limited (FMG), consultants retained by the Council, it would appear that the residential elements may not be financially viable whilst the health hub could be. There was too little information available to FMG to allow them to comment on the viability of the leisure element at this stage.
2. The Panel's recommendation, in any event, is not to proceed unless the scheme can be clearly shown to be financially viable and make a suitable financial return, commensurate with the risks involved.
3. The Panel considers that a decision to invest in the Downs Site should have regard to any impact on the Council's borrowing limits, so as not to prevent the Council investing in higher priority capital projects which could benefit the whole of the District and which would be in line with the Council's Corporate Plan and priorities.
4. The Panel considered the form of tenure for the GPs within the proposals and the business plan for the Downs Site. The Panel came to the conclusion that the proposed 25 year lease to the GPs would be acceptable given the covenant strength of the GPs (backed by the NHS) and the likelihood that the lease would be renewed after 25 years given the ongoing need for healthcare services.

6 Consequences of not proceeding

The Panel considered the evidence and representations summarised at **Appendix 4(6)** and concluded as follows:

1. The Panel considered that the consequences of not proceeding with the Downs site development would be:
 - a. The loss of some potential health and wellbeing improvements from the provision of a combined health and leisure facility;

- b. The risk that there could be no alternative site available for 'fit for purpose facilities' for primary care services in Seaford; and
- c. The loss of costs incurred to date in respect of the proposed site.

7. Additional considerations and conclusions

7.1 The Council's role in the provision of the services

The Panel considered what the Council's role was in the provision of primary healthcare services. It came to the conclusion that the Council is not under any obligation to provide the new facilities but to do so would be consistent with its general aims of promoting good health and social wellbeing in the community, but this must be balanced against the considerations set out above.

7.2 Strength of public feeling

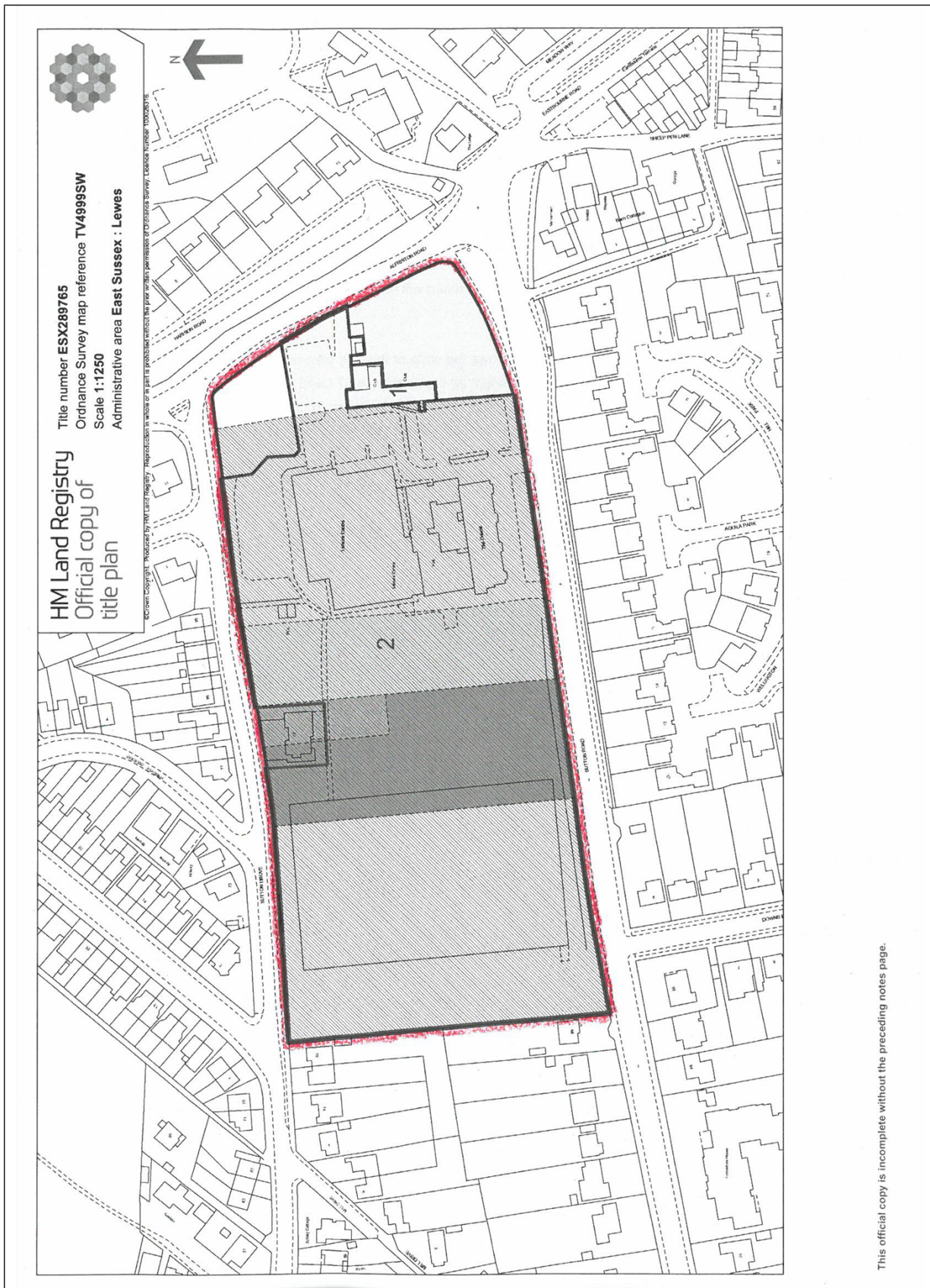
The Panel recognises the strength of public feeling in relation to the provision of primary healthcare services and the potential Downs Site, as demonstrated by the number of signatories to the petition, and the range of contributors to this review, and has sought to balance all the views expressed to it in its conclusions.

7.3 Panel's thanks

The Panel is grateful for the wide range of representations and views provided to it during the course of this review, and extends its thanks to all those who have attended to give evidence personally or by letter or email and have supported it in its work.

Appendix 1

Plan showing the location and extent of the Downs Site



Appendix 2**Scrutiny Seaford Health Hub Panel Remit**

1. To consider the advantages and disadvantages of the proposed redevelopment of the Downs leisure centre site at Sutton Road Seaford to provide a health hub, having regard to the needs and views of those supporting and those opposing the proposal.
2. To formulate a recommendation(s) to Cabinet as to whether or not the project should be progressed.

The Panel's consideration will include, but not be limited to, the following issues:

- (i) Those matters identified by the Scrutiny Committee at its meeting on 27 June 2019, namely:
 - The impact on the movement of GPs and the Council's role in provision of the services.
 - Demonstrating that other sites have been considered for viability
 - The impact on green spaces in Seaford
 - The impact on the wider economy in Seaford
 - The form of tenure within the proposals and the business plan
 - The financial viability of the scheme from the Council's perspective
 - The consequences of not proceeding with the project.
- (ii) Those matters contained in a petition opposing the proposed redevelopment at Sutton Road which was presented to the Council at its meeting on 15 July 2019, namely:
 - The relocation of two NHS doctors' surgeries away from the town centre without promise of additional medical services
 - The loss of a public recreation ground and wildlife habitat
 - Increased traffic, pollution and accident risk
 - Reduced footfall within the town centre and likely impact on the town centre

Appendix 3

Stakeholder and Document List

The Panel has received and considered evidence and representations in person or in writing from the following stakeholders and advisers:

Stakeholders and Advisors:

- Seaford Medical Centre
- Seaford Old School Surgery
- Wave Leisure Trust Limited
- Downs Development Neighbourhood Voice
- Seaford 60s Plus Club Steering Group
- Seaford Chamber of Commerce
- Seaford Town Councillors Dr Alan Latham, James Meeks and Mark Brown.
- County Councillor Carolyn Lambert
- Seaford Neighbourhood Plan Steering Group (Keith Blackburn - Chairman of the Group and Charlie Grimble consultant to the Group)
- Local residents and businesses in Seaford - Including Mr Bob Downing, Richard West, Clive Livingstone, Kieran Perkins, Dr Maggie Wearmouth, Wynford Seaford Fencing, and 3 other residents (name and address supplied).
- East Sussex Healthcare NHS Trust
- The Eastbourne, Hailsham and Seaford Clinical Commissioning Group
- NHS Property Services Limited
- Lewes District Council Officers
- Lewes District Council Consultants (Vail Williams LLP and FMG Consulting)

Documents:

In addition to the above, the Panel has reviewed the following documents:

Lewes District Council - Minutes:

- Minute 6 and 9 of Lewes District Council Scrutiny Committee – 27 June 2019
- Cabinet Report and Minute – 17 September 2018 'Regeneration and Development: Sutton Road, Seaford'.
- Minute of Full Council (Discussion of petition) – 24 September 2019.
- Exempt Cabinet Reports 'Asset development - Seaford, Sutton Road' – 3 January 2019 and 18 November 2018 (Exempt - financial and business information and legal privilege).

From Downs Development Neighbourhood Voice (DDNV):

- Petition presented to Full Council on 15th July 2019: 'Stop the development on the Downs Leisure Centre Site. Save our Recreation Grounds, keep Doctors in Seaford Town' (Petition Statement and Online Petition: <https://you.38degrees.org.uk/petitions/keep-the-doctors-in-town-save-our-recreation-ground>). As at 15 July 2019, the petition contained 2,620 signatures (1,876 hard copy signatures and 764 online). When the latest signature list was

provided to the Council on 14 January 2020, the petition contained 4,588 signatures (3,387 hardcopy and 1,191 online).

- Downs Development Neighbourhood Voice presentation to Scrutiny Committee – 10 September 2019.

From GPs / East Sussex Healthcare NHS Trust / CCG / NHS Property Services:

- Notes from GPs for the Scrutiny Committee on 6 September 2019 (attached at Appendix 5)
- Letter from the CCG regarding funding commitment (attached at Appendix 5)
- Letter from the CCG regarding future governance arrangements
- Outcome of vote on constitution for proposed new NHS East Sussex CCG
- CQC reports:
<https://www.cqc.org.uk/location/1-547762353?referer=widget3>
<https://www.cqc.org.uk/location/1-549775689>
- Heat maps (showing journey times) for existing surgeries and the Downs Site.
- Repeat prescription data from GPs

Impact Seaford

- Minute action from Impact Seaford Meeting – 23 September 2019 (requested economic impact study)

From Seaford Town Council

- Seaford Town Council Health Hub Working Party Interim Report 17 October 2019 (later withdrawn by Seaford Town Council).

Seaford Neighbourhood Planning Steering Group

- Document - Report on the viability of alternative sites for a Seaford Health Hub by Charlie Grimble (Advisor to the Seaford Neighbourhood Planning Steering Group)

Lewes District Council Officer and Consultant Reports.

- Scrutiny Seaford Health Hub Panel Report dated 22nd August 2019;
- Seaford Health Hub Survey Responses;
- Seaford Health Hub Draft Proposals;
- Seaford Neighbourhood Plan – Planning Policy Response
- Salts Recreation Ground – Planning Policy briefing
- Impact of proposals on the Town Centre – Head of Regeneration Briefing
- Seaford Hub Chronology
- Vail Williams LLP, Consultant –Seaford Health Hub Dane Road and Alternative Site Appraisal (Exempt - business and financial information)
- FMG Consultant – Presentations on Hub Design, Business Case and Financial Viability (Exempt - business and financial information)
- Downs Leisure Centre/Salts Recreation Ground confidential lease details (Exempt - business and financial information)

Any documents which are not attached as Appendices will be available as background papers on request. This excludes any documents already published or which are Exempt from Publication/ provided in confidence.

Appendix 4 (1)

Summary of Evidence and Representations reviewed

1. Assessment of health/well-being/community implications of the proposal

1.1 Health

(a) Evidence:

(i) Evidence from the GPs / CCG / East Sussex Healthcare Trust

- 1) Old School Surgery lease term expires 15 May 2022 but it has statutory security of tenure.
- 2) Old School Surgery patient list size (including East Dean and Alfriston) is 10,000 (which is x 4 the list size originally anticipated for the building).
- 3) Seaford Medical Practice – average 2-3 week wait to see patients (although there is no independent verification of this).
- 4) Neither surgery has physical room to expand. Old School Surgery is operating out of porta cabins in the car park.
- 5) Old School Surgery has terminated its travel clinic service but this could be reinstated from the Downs Site.
- 6) There are 21 GPs across both Old School (7) and Seaford Medical Centre (14)
- 7) Care Quality Commission (CQC) assessments: Old School Surgery “needs improvement”. Seaford Medical Centre has been classified as “Good” (CQC assessments focus on the medical services offered and not on the state of the premises).
- 8) Combined new practice requires 3,000 sq. metres.
- 9) Proposed new GP services are as set out at **Appendix 5**.
- 10) Funding guarantee of existing and new GP services from the CCG is as set out at **Appendix 5**.
- 11) CCG Funding offers do not cover equipment costs. GPs confirmed they will fund this cost.
- 12) There are no plans for any redundancies (medical or administrative).
- 13) CCG merger planned for April 2020 but a Seaford locality is to be retained. Costs of merger will not be charged to or impact on medical services.
- 14) The Health Hub building will need to be BREEAM “Excellent”. This is a requirement of the CCG. It will therefore have high sustainability credentials, and so, in this respect, a benefit to the community.
- 15) Patient numbers are increasing and demographics changing resulting in greater demand for primary care services.
- 16) Integration of health, social and community services is national policy.
- 17) The development will enable the establishment of an effective Primary Care Network (PCN) in Seaford.
- 18) Co-location of the two practices will enable the PCN to work to maximum effect.
- 19) Existing premises are insufficient for current needs.
- 20) A number of attempts have been made by the GPs to increase the clinical space at the Seaford Medical Practice between 2009 and 2016, but the requests were not agreed by NHS England or NHS Property Services or

could not proceed [details provided in confidence to the Panel].

- 21) New premises would enable integrated working with East Sussex Healthcare NHS Trust (ESHT) and other health and social care teams.
- 22) New premises would enable an integrated approach to the promotion of good health and wellbeing.

(ii) Evidence from Keith Blackburn (Chair of the Seaford Town Neighbourhood Plan Group)

- 1) During the production of the Seaford Neighbourhood Plan the importance of GP services had been highlighted.
- 2) The policy relating to the Downs Leisure Centre as a site for healthcare development had been omitted from of the Seaford Neighbourhood Plan.

(iii) Officer evidence:

- 1) There is no commitment to provision of additional East Sussex Healthcare NHS Trust services.
- 2) The design and siting of the Health Hub is being developed and revised following consultation, but is yet to be finalised.
- 3) The design now includes proposed 238 parking spaces (net increase of 121) and 50 public bike parking hoops (existing parking at Seaford Medical Practice is 37 for staff and 18 for patients; Old School Surgery – none designated).
- 4) 5 design meetings were held with end users of the scheme, and a new preferred 'H' shaped scheme has been identified, but is yet to be finalised.
- 5) 4 options of site layout were considered and option 4 chosen with the health hub located to the east of the site.
- 6) The design is for a three-storey building with 3100 sq. m to accommodate GPs and other primary care services.
- 7) The design includes space for a dispensing pharmacy.

(iv) Vail Williams LLP (Building Consultant):

- 1) Report commissioned by Lewes District Council to look at Dane Road, Richmond Road car park and other options.
- 2) Considered the Dane Road (and/or Richmond Road car park) will require demolition and temporary decanting of GPs.
- 3) At present the Dane Road site is well located to function as a medical practice, but is understood to be at, or above, capacity. A deficiency in provision of primary care services is anticipated to increase with population numbers, and consequently patient numbers, increasing over the plan period. This is highlighted in the Neighbourhood Plan (Submission Version 2017) which identifies that any increase in population will require new or expanded health facilities. Accordingly, the draft Neighbourhood Plan (Policy SEA10) strongly supports new or expanded health facilities, including the proposal for the Downs Site health facility.

(v) NHS Property Services:

- 1) If Dane Road vacated and surplus to requirements, the Council could have option to acquire at market price.

(b) Representations

(i) Representations from the GPs / CCG / ESHT

- 1) Rooms being used are inappropriate for clinical use. Cannot expand medical team. Recruitment and retention difficult – particularly for Old School Surgery. Service providers are offering additional services but being turned away by surgeries because of lack of space. Lack of space currently means surgeries do not have the facility for a mobile MRI scanner that would be beneficial.
- 2) Surgeries are looking to future-proof and so have premises which can provide modern treatments to meet demand for next 20 years +.
- 3) Health hub proposal will allow for offer of additional access 8am – 8pm opening Mon-Fri, and some Sat/Sun cover.
- 4) The health hub proposal would allow for on-site non-dispensing pharmacist so enabling someone other than GPs to offer specialist service.
- 5) A dispensing pharmacy is also proposed (GPs say this will be a satellite of an existing town pharmacy as a result of licensing issues).
- 6) The health hub proposal will promote efficiencies e.g. shared reception and back office.
- 7) The health hub proposal would allow provision of outreach mental health clinics, enhanced digital services and re-opened travel clinic service (although this has not been confirmed).
- 8) If the health hub proposal does not proceed the GPs have said that they do not have a Plan B. They would need to speak to the CCG about possible reallocation of the patient list. Most likely outcome is that some patients would be reallocated to Newhaven or possibly Eastbourne.
- 9) Fit for purpose premises are key to the success of the Primary Care Network (PCN).
- 10) New premises would help with recruitment and retention of staff.

(ii) Representations from NHS Property Services

- 1) The Dane Road site is not viable for the GPs' proposals.

(iii) Representations from resident (RWF Downing)

- 1) There is no imperative for the Council to subsidise the GP Practices.
- 2) It is not and should not be the local authority's role to resolve this issue for the NHS/CCG who should themselves have made provision for adequate healthcare facilities. Similarly the two GP Practices, as private sector businesses, are responsible for securing their own accommodation.
- 3) Seaford has some 28,000 registered patients and population is growing.
- 4) Detailed architect plans for a new centre on Dane Road / Richmond Road car park have previously been drawn up. Scheme failed because of failure of NHS Property Services and the GP practices to provide the necessary finance, including the refusal of the GP Practices to take out mortgages.
- 5) Dane Road and Old School surgeries failed to apply for potential NHS funding without explanation.
- 6) No one can guarantee that the 2 GP Practices will remain viable, in which case the Council may end up having to pay off its own development debt.
- 7) If the hub is designed to meet the needs of the GPs and ESHT it will be

- unsuited to occupancy at a later date by any other organisation.
- 8) Seaford is being emotionally threatened with a suggestion that if the health hub does not proceed both GP practices will leave Seaford and set up elsewhere (probably Newhaven) or that healthcare staff will simply leave, leaving Seaford with no healthcare provision.
 - 9) NHS Property Services has the function of providing the NHS with buildings from which to deliver healthcare. It is failing in its duty. It is not the local authority's job to usurp or offer to assume the NHS's duties.
 - 10) There is no need for a health "hub" as such. It would make sense to re-site the 2 practices in separate premises so as to be easier to reach for scattered residents.

(iv) Representations from resident (Richard West)

The health hub proposal is to be welcomed as the existing Old School Surgery premises is sub-standard and cramped. Integration with Wave is forward-looking and will improve health. Good working conditions will assist GP recruitment. Opportunity to provide secondary care, community and special care services on a single site is an exciting potential benefit. Will assist co-ordinated and joined up care.

(v) Representations from resident (Clive Livingstone)

- 1) Current facilities are inadequate.
- 2) The new proposal will offer more services and relieve Accident and Emergency (A&E) and other services currently undertaken by Eastbourne Hospital.

(vi) Representations from resident (Dr Maggie Wearmouth)

- 1) Seaford, as largest town in district deserves better health provision.
- 2) Moves to enhance staff recruitment and retention are to be welcomed, as is integrated working with social care professionals and organisations, and encouragement of individuals to take personal responsibility for their health.
- 3) Additional resources such as physiotherapists, paramedics, pharmacists are financial inducements offered to surgeries, regardless of location or premises so it is not accurate to say that the health hub will be responsible for providing these.
- 4) Additional services which the health hub is said to provide are future potential services dependent on increased patient numbers.
- 5) If the health hub does not progress, CCG has a statutory duty to arrange alternative service provision if that is needed.
- 6) Extended hours services are already available in Seaford.
- 7) Technology is becoming more important than physical location of either patients or health professionals.

(vii) Representations from the Petition to Stop the Development on the Downs Site.

- 1) No promise of additional medical services.
- 2) Will damage health by removing recreation space.

1.2 **Well-being**

(a) **Evidence**

(i) **Evidence from CEO Wave Leisure**

- 1) Three Wave employees to be trained to support recovering cancer patients into activity.
- 2) Wave's work with ESH NHS Trust has been recognised nationally. Wave seen as leaders in field and invited to speak at major NHS conferences / exhibitions.
- 3) ESH NHS Trust confirms it would not meet its targets if it did not work with Wave.
- 4) Fall prevention classes a successful example of WAVE / NHS collaboration.
- 5) Wave's Impact Report presented as evidence of Wave's commitment / performance re "Healthcare Under One Roof."
- 6) Most activity services are provided at a small charge, rather than being free at the point of delivery.
- 7) The proposed development proposal will give Wave an extension to existing gym and a small studio.
- 8) See also Exempt Appendix 6.

(b) **Representations**

(i) **Representations from CEO Wave Leisure**

- 1) Co-location with Wave benefits well-being and health, enables preventative health care options and will reduce demand on pure medical services.
- 2) "Healthcare Under One Roof" vision.
- 3) Fall prevention and other similar services could be handled by Wave without reference to GPs.
- 4) The proposal to extend existing gym and provide small studio are subsidiary to perceived co-location benefits.

(ii) **Representations from DDNV:**

There are disbenefits in co-location of health facilities and leisure facilities because associated noise not conducive to patient care.

(iii) **Representations from the Petition to Stop the Development on the Downs Site:**

Building will be on well-used playing ground.

1.3 **Community**

(a) **Evidence**

(i) **Evidence from Officers**

- 1) Housing figures (correct when provided): 1,200 individuals on Council's waiting list. There are 200 lets per annum in the District. There are 83 households currently in temporary accommodation.

- 2) The residential element is not an essential part of the scheme. The removal of housing will provide some mitigation to the loss of green space.
- 3) Development of Richmond Road car park could lose 65 public car parking spaces in town centre.
- 4) The Downs Site is not allocated within the Local Plan.

(ii) Evidence from Wave Leisure

Wave Leisure will provide lunches to the 60+ club at existing prices.

(b) Representations

(i) Representations from Russell Gilbert (chair of the 60+ club)

- 1) Courtyard in new development could be used as additional space and kitchen for the 60+ club.
- 2) Art activities could be relocated in Wave building.

(ii) Representations from resident (Name and Address supplied)

A detrimental impact on footfall will affect vibrancy of community and lead to isolation in town centre where there are many older persons, who currently feel safe walking around town.

(iii) Representations from DDNV

- 1) Wave's track record in not responding to complaints about noise indicated a lack of concern for vulnerable and elderly patients visiting the proposed health hub which would damage any benefits of integrated care.
- 2) The 3G/4G pitch would provide all year round use but not space for dog walking and an alternative grass pitch should be considered.
- 3) No plan to make the building net carbon zero.
- 4) Downs originally appraised as an existing recreation ground and unsuitable for development (Local Plan).

(iv) Representations from resident (RWF Downing)

- 1) Loss of old barn to be regretted as it is only visible remains of Old Sutton settlement.
- 2) The 60+ club is a valuable community asset in operation at the barn since 1965. It also contributes to Council rental income.
- 3) Wave is a nuisance neighbour: noise pollution; floodlights need adjustment; leisure centre noise will disturb patients and the 60+ club.
- 4) Proposal will increase traffic noise.

(v) Representations from resident (name and address supplied)

Concerns on behalf of 60+ Club and aware that the views of the Club's Steering Group do not represent all Club members.

(vi) Representation from the Feedback of initial exhibition evenings

- 1) The event was attended by 1,240 people.
- 2) Concerns expressed included: Car parking, bus links, negative impact on town centre footfall, traffic congestion, questioning the need for a retail

- unit at the site and loss of green space.
- 3) Residents also welcomed opportunities for better, and more 'appropriate', spaces for the GPs and health services and for 'future-proofing' local health services, as well as opportunities for the two practices to work together with the leisure centre to promote better health.

Appendix 4(2)

2. Impact of movement of GPs from Town Centre to the Downs

2.1 Economic Impact on the Town Centre (include reduced footfall from staff and patients, possible alternative uses of current surgery premises, impact on pharmacy)

(a) Evidence

(i) Officer evidence

- 1) High Streets and Town Centres 2030 report (House of Commons Housing Communities and local Government Committee) note: 'Our vision is for activity based community gathering places where retail is a smaller part of a wider range of uses and activities and where green space, leisure, arts and culture and health and social care services combine with housing to create a space based on social and community interactions'.
- 2) Potential redevelopment of the Dane Road site if GPs vacate could have the potential for employment generating uses.
- 3) Not recommended to carry out survey at this time, as unlikely that a true picture would be ascertained.
- 4) It is reasonable to anticipate some level of reduced footfall from the relocation to the Downs site.

(ii) Evidence from the GPs / CCG / ESHT

- 1) Old School Surgery repeat prescriptions 85% (of which 94% is prescribed direct to the usual pharmacy) and of the remaining 15%, 76% is prescribed direct to the usual pharmacy. Overall 91% of prescribing is done electronically.
- 2) Seaford Medical Practice - repeat prescriptions 67%. Overall 91% of prescribing is done electronically direct to the usual pharmacy.

(b) Representations

(i) Representations from Gerri Ori (Chair of Seaford Chamber of Commerce)

- 1) Concern was expressed over the economic impact of the GPs leaving the Town Centre.
- 2) Footfall would be reduced impacting negatively on town centre retail businesses.
- 3) In particular, pharmacists were concerned that their revenue would be reduced.

(ii) Representations from Keith Blackburn (Chair of Neighbourhood Plan Steering Group)

- 1) Most pharmacy users were for repeat prescriptions and patients could choose which pharmacy to use.
- 2) An existing pharmacy in the town could provide a satellite pharmacy as part of the scheme.
- 3) Population of Seaford expected to be 32,000 by 2027 (this figure includes East Dean and Alfriston).
- 4) Neither the supermarket or houses are needed at this location.

- (iii) **Representations from resident (RWF Downing)**
Encouraging surgeries to leave town centre and take their visitors with them is irresponsible.
- (iv) **Representations from trader (Wynne's and Seaford Fencing)**
We have two units in Seaford. The proposed development will affect traders through loss of footfall in town centre.
- (v) **Representations from resident (Clive Livingston)**
Impact on town centre a 'red herring' as people who are ill and need to see a doctor asap will not be shopping.
- (vi) **Representations from resident (Name and Address Supplied)**
Removal of surgeries from town centre will have a detrimental effect on footfall for local shops / businesses.
- (vii) **Representations from the Petition to Stop the Development on the Downs Site**
 - 1) Relocation from town centre will lead to reduced footfall in town shops and cafes and will damage business in town.
 - 2) Patients of surgeries also use shops and cafes.
- (viii) **Representations from the Seaford Chamber of Commerce**
There will be a detrimental effect on town centre businesses.

2.2 Proximity to the existing Downs Leisure Centre

- (a) **Evidence**
 - 1) **Wave Leisure** – See information as set out above at 1.2(a)(i) and (b)(i).
 - 2) **GPs / CCG / ESHT** - See information as set out above at 1.1(a)23.
- (b) **Representations**
 - 1) **DDNV** – See information as set out above at 1.2 (b) (ii).

2.3 Impact on Patient Journeys

- (a) **Evidence - GPs / CCG / ESHT**
The CCG has produced two heat-maps which show the walking times of the patients for the existing premises and the proposed health hub. These are open to interpretation but generally speaking the relocation of services to the health hub would result in less short and long journeys and more medium length journeys.
- (b) **Representations**
 - (i) **Representations from Keith Blackman**
Some people who drive to town now will walk to new hub.
 - (ii) **Representations from trader (Wynnes and Seaford Fencing)**
Retirement flats are planned for town centre. The proposed development will not be within walking distance for these residents.

2.4 Traffic Impact

(a) Evidence - from Council Officers

- 1) Early discussions with bus companies but the appropriate time for detailed consideration is at pre-planning application stage.
- 2) No new vehicle access/egress to Sutton Drove to be proposed.

(b) Representations

(i) Representations from Keith Blackburn

- 1) The retail and housing elements of the proposed Downs development were not needed and their exclusion would mitigate the development's impact on traffic.
- 2) Bus routes would require altering.
- 3) Traffic in the town centre would be reduced.

(ii) Representations from DDNV

- 1) No traffic feasibility studies undertaken and traffic accident potential exists.
- 2) Insufficient car parking at the Downs site. This will exacerbate on-street parking.

(iii) Representations from trader (Wynnes and Seaford Fencing)

Wave customers, patients and staff will create more congestion and parking problems on road already busy with HGVs, waste vehicles and cars.

(iv) Representations from resident (Clive Livingstone)

- 1) The Health hub will be on major bus route with significant parking on site.
- 2) This will help with on street parking in town centre. Traffic impact on adjacent roads likely to be minor as appointments will be during daytime.

(v) Representations from trader (name and address supplied)

- 1) The Health hub proposal will encourage people to travel by car.
- 2) Infrastructure inadequate to cope. (Town centre, by comparison, has a railway station and buses). Parking on proposed Health hub site is inadequate and parking should not replace green fields.

(vi) Representations from resident (Kieran Perkins)

- 1) The Health hub proposal will generate traffic disruption in an already built up area.
- 2) Development will lead to increased traffic, pollution and risk of accidents.
- 3) Parking demand will increase and planned parking is insufficient.

(vii) Representations from the Seaford Chamber of Commerce

Parking will be insufficient causing traffic problems and unauthorised parking.

Appendix 4(3)

3. Impact on green space, public recreation (including free and paid for facilities) and wildlife habitat

(a) Evidence

(i) Officer evidence

- 1) Desktop survey shows no notable habitats / species on site and no invasive/ non-native species. Bat surveys will be completed.
- 2) In the new design that has been discussed the garden would not be retained, but many trees would be retained. In addition, the Petanque Ground can be relocated. Petanque Group confirmed that fewer 'lanes' required.
- 3) Land was gifted to the Council under covenant for purposes of recreation and enjoyment.
- 4) Planning policy position for the Downs site is as follows: that the grounds at the Downs Site are protected by LDC Planning Policies, contributing to RE1 Existing Recreation Groups, CP8 Core Green Infrastructure, SPF12 Recreation and Community Services at the Downs; LDC Core Policy 8 – Green Infrastructure; LDC Local Plan Core Policy 9 – Air Quality.

(b) Representations

(i) Representations from Downs Development Neighbourhood Voice (DDNV)

- 1) Existing deficit of 15Ha plus of green space.
- 2) There will be an additional loss of 4Ha at Newlands.
- 3) The health hub proposal would mean loss of a further 1Ha.
- 4) Population of Seaford using 2018 figures is 24,497.
- 5) Population projection for Seaford by 2030 is 25,324.
- 6) Minimum charge for using any part of the artificial pitch is £20 per hour.
- 9) School East Sussex Report 2017: children stated preferred choice of exercise was walking, jogging, running games. Need to use transport, lack of time and costs of activity are deterrents.
- 10) Green space is necessary for promoting good health. Taking it away and/ or charging for it has a detrimental effect on the community. A 3G pitch would attract a charge.
- 11) Location of the Downs offers inclusive, accessible green space for all. Playing field is a much valued asset.

(ii) Representations from resident (RWF Downing)

- 1) The health hub proposal will cause loss of 2 green spaces.
- 2) The Downs is in a geographically central position within Seaford and is a calm, green oasis.
- 3) Soccer pitch is used on Sunday by a Seaford TC youth football team and is in continual use by walkers and by residents for games.
- 4) It is the only free open space locally.
- 5) Value of the Memorial Gardens.
- 6) Promised provision of a public recreation space at former Newlands School is not comparable or mitigation.

(iii) Representations from trader (Wynnes and Seaford Fencing)

The health hub proposal will remove trees and one of the last green spaces.

(iv) Representations from resident (Name and Address Supplied)

- 1) Destruction of Downs Recreation ground not warranted – will lead to loss of green space, garden, wildlife, free-of-charge pitch. Also loss of beautiful flint building (over 60s club).
- 2) Site is of architectural and historic interest.

(v) Representations from the Petition to Stop the Development on the Downs Site

Development will damage wildlife habitat, plant life and ecosystem.

Appendix 4(4)**4. Appraisal of availability and viability of other sites****(a) Evidence****(i) Evidence from Charlie Grimble, Advisor to the Seaford Neighbourhood Plan Group)**

- 1) A report was prepared by Charlie Grimble, which looked at viable alternatives to the Downs for the provision of new primary healthcare facilities.
- 2) 306 sites were considered but only one viable site was identified: part of the Salts Recreation Ground. This would involve more complex and expensive foundations. The site was also in a flood-risk area (flood zone 3) which would involve additional expense and had planning complications. There would also be a loss of playing pitch area.
- 3) A proposed scheme from a local architect for redevelopment of the existing Dane Road Site was considered but was dismissed as it would require the GPs to decant and would involve unpredictable and possibly unaffordable foundation works.
- 4) Refurbishment options have not been looked at because of difficulties in assessing costs, adverse VAT treatment and timing issues.
- 5) The only options would be local authority owned sites in order to be financially viable and after considering these sites only one site was identified as worth consideration (Salts).

(ii) Evidence from the GPs (See Exempt Appendix 6)**(iii) Report from Vail Williams LLP (Planning Consultants)**

- 1) It cannot be said that a Dane Road / Richmond Road alternative is technically unfeasible. A combination of the existing Seaford Medical Practice's Dane Road Site and Richmond Road Car Park would provide greater scope for a redevelopment. Further detailed design work would be needed to establish feasibility. This option would involve the temporary decanting of the current GP practice. It would result in the loss of public car parking capacity at Richmond Road (65 spaces) and would also involve construction challenges.
- 2) It is unlikely that any of the development scenarios on the existing Dane Road site would provide an appropriate layout/configuration for the new facility whilst meeting highways and parking requirements.
- 3) If demolition was required, temporary premises would be needed. Finding this in the proposed timescale could be difficult.

(iv) Evidence from NHS Property Services (NHSPS)

- 1) There is potential to extend the existing Dane Road site but this would result in loss of parking and may not create sufficient additional space.
- 2) No funding route has been identified. Any request for NHS funding would need to go through the Sustainability and Transformation Partnership (STP) capital planning process which has not historically released significant primary care investment.
- 3) NHSPS has no capital to invest in this kind of expansion project.

- 4) NHSPS do not consider that the site would attract NHS funding.
- 5) Any works are likely to require decanting out of the building which would add to the development costs.
- 6) The Council would be given priority to acquire the existing site if declared surplus but would have to pay full market value for it.

(v) Evidence from Officers

- 1) Planning policy advice on the Salts Recreation Ground site – that a site in Flood Zone 3 can only be considered for development for healthcare use under the sequential test if no other suitable sites for that use are available. Given that the alternative of the Downs site was available, the Salts Recreation Site would be ruled out for development for this use.

(b) Representations

(i) Representations from resident (RWF Downing)

Queries whether there has been any consideration of either Talland Parade and/ or Warwick House.

(ii) Representations from resident (Name and Address Supplied)

Questions why NHS cannot adapt the Dane Road site to provide extra GP Services.

(iii) Representations from resident (Kieran Perkins)

Doctors' surgery should stay where it is and be extended to provide a new wing and Salts carpark used to provide necessary additional car parking.

(iv) Representations from the GPs / CCG / ESHT

The Downs proposal is the only realistic, practical and affordable solution to meet current and future needs and enable new services.

(v) Representations from County Councillor Carolyn Lambert

- 1) Previous assessments by the CCG of the Dane Road Site have not been made available.
- 2) There is no clarity as to what an assessment of the Dane Road site actually means and in particular there is confusion as to the extent of the site and the space requirements of the GPs.
- 3) Given that this is a partnership project, no consideration appears to have been given to the potential land bank that exists around the Dane Road Medical Centre and the Richmond Road Car Park. Reconsideration of this as a potential alternative site is welcome.

Appendix 4(5)

5. Financial Viability of the Downs Site Development

(a) Evidence

(i) Officer Evidence:

- 1) Final costing figures not yet available.
- 2) Considerable flexibility available in build options and programme.
- 3) The health hub element likely to at least break even financially.
- 4) Residential element not viable without value – engineering which is likely to reduce sustainability features.
- 5) Leisure element – insufficient information available to assess viability.
- 6) See Exempt Appendix 6.

(ii) Evidence from the GPs / CCG / ESHT

The CCG supports the proposed development and has committed to funding it and the additional services which come with it.

(iii) Evidence from FMG Consulting Ltd - See Exempt Appendix 6.

(b) Representations

(i) Representations from resident (RWF Downing)

- 1) The proposed build costs published by the Council (approximately £18m) are not reliable.
- 2) There is no imperative upon the Council to subsidise either the private business (the GP Practices) or other public sector bodies (ESHT) and in turn the NHS.
- 3) Importance of Wave Leisure's financial strength.

(ii) Representations from resident (name and addressed supplied)

It is not the Council's responsibility to fund this project.

(iii) Representations from resident (Kieran Perkins)

Cost excessive in comparison with extension of existing GPs' site.

(iv) Representations from County Councillor Carolyn Lambert

- 1) There is a huge financial and reputational risk for the Council associated with the proposed development.
- 2) Questions why all the capital for the development is being funded by the Council.
- 3) Questions if the NHS will be refunding any of the capital costs.
- 4) Questions if there is a business case for the development supported by all the stakeholders.

Appendix 4(6)**6. Consequences of not proceeding****(a) Evidence****(i) Evidence from the GPs / CCG / ESHT**

- 1) There would be an adverse effect on care and working conditions at the surgeries.
- 2) Current services would be destabilised and staff retention would be adversely affected.
- 3) One or both of the current practices might fail and the provision of primary care services might be moved elsewhere e.g. Newhaven and/or Eastbourne.

(b) Representations**(i) Representations from Keith Blackburn**

The benefit of the co-location of a medical centre with sports and wellbeing facilities would be lost.

(ii) Officer advice:

NHS Property Services not likely to agree to sale proceeds of Dane Road being used to subsidise cost of any new development for GPs because this is known to be inconsistent with NHS funding model. Community Health Partnerships (CHP) is unlikely to facilitate this scheme as its resources are focused on parts of the Country which do not include East Sussex.

Appendix 5

Individual Documents:

Documents referenced in Appendix 4(1), Section 1.1 Health Evidence points 9 and 10:

1. GP's Notes for Lewes District Council Scrutiny Committee regarding Seaford Health Hub (Presented 10/09/19)

Why a Health Hub?

- National policy is to integrate Public Bodies to work together including the voluntary sector
- Enable the Seaford GPs to establish an effective Primary Care Network (PCN), in line with the NHS Long Term Plan. A PCN is defined as GP Practice(s) and other non-GP providers such as community (community pharmacy, dentistry, optometry etc.), voluntary, secondary care providers and social care) serving a population of 30k – 50k. Seaford (and the surrounds) has been confirmed as a PCN
- Fit-for-purpose premises is key to fulfilling this ambition, both for today's needs and the community needs for the next 25+year. Co-location will enable PCNs to work to maximum effect
- Both Practices have insufficient premises to meet today's needs
- The Seaford GPs want to be able to continue to be able to effectively recruit and retain scarce clinical resource against a backdrop of national and local shortages.
- The Seaford GPs want to be able to offer a range of enhanced primary care services and improve our current service. The enhanced services will be fully determined once the building is being developed, but a number of expected enhancements are set out below.
- Enable effective integrated working with the East Sussex Healthcare Trust out-of-hospital teams and other health and social care teams that will be present in the new Health Hub, making most effective use of formal and informal communication channels (e.g. coffee room chats etc.)
- Enable a truly integrated approach to health and wellbeing, incorporating innovative approaches in conjunction with Wave Leisure and other parties. This would build on existing work by Wave Leisure, which has been nationally recognised

Enhanced Services That Can Be Introduced With A New Health Hub:

- As part of the Seaford PCN, the GPs will recruit:
 - A team of 3 paramedic practitioners
 - A Practice Pharmacist
 - A first-contact physiotherapist

- A Physician Associate
 - A social prescribing team
- Offer extended access, Monday – Friday 8.00 am to 8.00 pm and some Saturday and Sunday appointments
 - Introduce MRI capabilities in Seaford via a visiting mobile MRI provider
 - Change how the Seaford GPs work, moving towards a Primary Home Care mode, including providing an Acute On the Day service
 - Provide a walk-in “wound assessment” service. This would enable a number of wounds to be assessed and treated, with only the more serious wounds being directed to Urgent Treatment Centres etc.
 - Extend the current ultrasound service from 1 day a week in Seaford to 3 days a week
 - Extend the current audiology service from 1 day a week Host more Community and Consultant Outreach Clinics (e.g. Dermatology, Cardiology, Diabetes already in place but limited by room space) to stop people travelling to hospitals for these services
 - Aided by the co-location, work with Wave Leisure to develop, deliver and oversee health and wellbeing programmes for the population of Seaford (please refer to presentation given by Duncan Kerr, Wave Leisure)
 - Many other potential services could be introduced because of (1) the fit-for-purpose premises and (2) the integrated and effective working of the two Practices being co-located. This will not be possible without co-location

What Happens If A New Health Hub Is Not Developed at the Downs Site:

- Current premises are unsuitable and impacting and impeding the level of care we can offer our patients. The cramped and not fit for purpose nature of the infrastructure is directly detrimental to the working conditions and well-being of existing staff e.g. Porta cabins and store cupboards used to see patients currently.
- NHS Property Services, the CCG and the Practices have concluded that the Dane Road site is not big enough for the size of Health Hub required for the town the size of Seaford and the surrounds
- Any other site other than the Downs site is likely to involve land acquisition costs and third party developer costs. It is likely the additional costs would make any other scheme unviable from a CCG and a Practice perspective
- High risk of destabilising current offer of General Practice in Seaford area both in terms of infrastructure (lease of OSS Premises expires in Practical terms at the end of 2021) and work force in terms of retention of Doctors , Nurses and associated staff.

- Far from certain if the lease of Old School Surgery could be renewed and even if was the accommodation is currently totally inadequate for provision of services.
- In event of one or both Practices failing then provision of patient care would either be transferred out of area e.g. Newhaven or Eastbourne or to the remaining Seaford Practice risking a 'domino effect' resulting in the other practice failing.

Clinical Commissioning Group Perspective:

- Eastbourne, Hailsham & Seaford (EHS) CCG is fully supportive of the proposed development. The CCG confirms that funding for proposed rents is confirmed and will remain confirmed following any reconfiguration of local CCGs
- If this development does not proceed, there is no certainty that an alternative proposal will be supported by the CCG
- The CCG will financially support the additional services referred to above, in line with national commissioning guidelines

Dr Dan Elliott, Executive GP Partner, Seaford Medical Practice & Dr Raj Chandarana, Executive GP Partner, Old School Surgery.
6th September 2019.



**Eastbourne, Hailsham and Seaford
Clinical Commissioning Group**

Cllr C Robinson
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28th October 2019

Dear Councillor Robinson

Further to our verbal and written submissions to the Scrutiny Committee in September, I am formally responding to you on the CCG's position in regard to funding on the proposed new Seaford Health Hub .

Eastbourne, Hailsham and Seaford CCG is fully committed to this development which is one of our local priorities. Funding has been identified and committed to cover all the revenue costs of this development based on the rent reimbursements for the 25 years of the lease. The costs of the community elements of this scheme are also covered by the CCG through the contract arrangements with the current community provider.

The CCG and NHSE are committed to the Primary Care Network funding as set out in the NHS Long Term Plan and this will support the new developments that the GPs have referred to.

If you have any queries on this or would like a conversation to discuss further please do let me know

Yours sincerely,



Fiona Kellett
Head of Finance and Primary Care Commissioning

CHAIR: DR MARTIN WRITER CHIEF EXECUTIVE OFFICER: ADAM DOYLE
36-38 FRIARS WALK / LEWES / EAST SUSSEX / BN7 2PB

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Agenda Item 7

Report to:	Scrutiny Committee.
Date:	6 February 2020.
Title:	Eastbourne & Lewes Community Safety Partnership – Annual Report (Lewes).
Report of:	Ian Fitzpatrick, Deputy Chief Executive (Director of Regeneration and Planning).
Cabinet member:	Councillor Johnny Denis.
Ward(s):	All.
Purpose of report:	To enable Scrutiny Committee to consider the current performance of the Eastbourne & Lewes Community Safety Partnership (E&LCSP).
Decision type:	Approval.
Officer recommendation(s):	(1) That Scrutiny Committee review the achievements and activities of the Eastbourne & Lewes Community Safety Partnership in 2019/20 and consider any recommendations that they would wish to make to Cabinet.
Reasons for recommendations:	For Scrutiny Committee to consider progress on delivery of the current Community Safety Plan.
Contact Officer(s):	Name: Oliver Jones. Post: Strategy & Partnerships Lead - Housing & Communities. E-mail: Oliver.Jones@lewes-eastbourne.gov.uk . Telephone number: 01323 415 464.

1. Introduction.

- 1.1. Community Safety Partnerships (CSPs) were established under the Crime and Disorder Act 1998, which set out a statutory requirement for public service authorities, referred to as 'responsible authorities', to meet regularly to discuss ways of reducing crime and disorder, addressing incidences of anti-social behaviour and minimising re-offending in their local area.
- 1.2. Key members of the Eastbourne & Lewes Community Safety Partnership (E&LCSP) include Sussex Police; East Sussex Fire & Rescue Authority; the Sussex Police & Crime Commissioner; NHS clinic commissioning groups; & East Sussex County Council. Membership can be extended to other key local and voluntary partners as appropriate. Lewes District Councils plays a key role in supporting the work of the local CSP, by co-ordinating the agreed strategic plans and reporting performance on behalf of the Partnership.
- 1.3. Lewes & Eastbourne CSPs have been working on a joint basis since 2017 and in February 2019 the Sussex Police and Crime Commissioner formally endorsed their merger (a legal requirement). The merger helps align the work of the CSP

with Sussex Police's district boundaries and provides efficiency savings that allow more of the Commissioner's budget to be allocated to front line priorities. Scrutiny Committee should note that scope is left within the plans to ensure that priorities reflect local issues of concern in each Council area, such as road safety in Lewes and supporting the street community in Eastbourne. The budget allocated by the Sussex Police Crime Commissioner remains ring fenced for use in the Lewes District.

- 1.4. A strategic planning meeting of the E&LCSP takes place every quarter, whilst the Lewes Joint Action Group meets monthly to identify local issues, incidents and risks and put in place local solutions. The CSP works in partnership with the County level CSP (the East Sussex Safer Communities Partnership) to address pan-County issues such as organised crime, County Lines and offender management.

2. Role of the Scrutiny Committee

- 2.1. Provisions in sections 19 and 20 of the Police and Justice Act 2006 – as amended by section 126 of the Local Government and Public Involvement in Health Act 2007 - enable Scrutiny Committees to bring their unique perspective to bear on how Community Safety Partnerships are tackling crime and disorder.
- 2.2. Guidance produced by the Home Office on the scrutiny of community safety partnerships makes it clear that it is the role of scrutiny committees to “enhance existing partnership arrangements by developing a clear structure for overseeing and reviewing the delivery of joint responses on community safety and by creating a clearer link between partner agencies and the public on community safety.”
- 2.3. The guidance goes on to say that “the role of scrutiny should be focused on the partnership as a whole, if issues arise which relate specifically to a particular partner organisation, it may be appropriate to refer such issues to the governing bodies of that organisation for action.” For example, if concerns relate purely to Police activity, then these should be referred to the Police and Crime Commissioner.

3. Our plans.

- 3.1. CSPs have a statutory duty to set out a Partnership plan and monitor progress. The latest plan, approved by the Partnership in March 2019, took into account key local issues of concern across Lewes, such as anti-social behaviour and road safety, as well as the wider strategic priorities of the Police & Crime Commissioner and the Safer East Sussex Partnership. More specifically, the four identified priorities are:
 - Priority 1 – Address the incidence of anti-social behaviour.
 - Priority 2 – Proactively respond to emerging threats and priorities based on threat, risk and harm.
 - Priority 3 – Contributing to the work of agencies and partnerships that have a leading role in working with victims and offenders.
 - Priority 4 – Reduce the number of people killed or seriously injured on Lewes

District's roads.

- 3.2. CSPs are awarded an annual grant by the PCC, broadly based on population density and crime formula. A review of funding carried out by the PCC in 2018/19 resulted in an increased allocation £34,829 awarded to the CSP in Lewes. This is an increase of 13% on the sum awarded in 2018/19 and this additional funding has helped deliver extra programmes and projects that have addressed the above priorities across the District. In addition, the CSP received a £13,026 of 'surge funding', a share of Home Office money allocated to address the nationally recorded increase in serious and violent crime.

4. Outcomes and performance management

- 4.1. Lewes District continues to be a very low crime area. In 2018/19 the District had a recorded crime rate of 54 crimes per 1000 people, the lowest of the twelve 'Most Similar Group'¹ official benchmark set of local authorities. The average for the group was 72 crimes per 1000 people.
- 4.2. That said, the number of crimes in the Lewes District has been increasing over the last few years. A total of 5,531² crimes were recorded in the year to March 2019 a rise of 8.6% on the previous year (5,091 crimes). Vehicle crime(+23%), public place violent crime (+17%) and alcohol related crime (+16%) all rose, along with criminal incidents of domestic abuse (+13%). Reports of burglary (-10%), theft and handling (-10%) both fell. Separately recorded reports of anti-social behaviour (2,024 incidents) fell by 13% compared to the previous year (2,346 incidents).
- 4.3. Key initiatives spearheaded by the Sussex Police & Crime Commissioner to raise awareness of the impact and support available to victims of some crimes such as domestic abuse, hate crime and modern slavery, have met their intended purpose of increasing reported figures. The strict adherence to Home Office crime recording procedures is also a contributory factor to some of these trends, particularly in relation to knife and violent crime, though clearly the level of some categories of crime has seen a real time increase.
- 4.4. Road safety remains a key issue of concern across the District. In the year to December 2018, 80³ people were killed or seriously injured on the District's roads, a 36% increase on the previous year (59).
- 4.5. These increases have set the tone for the work of the partnership across the last year, which has, within the context of its four priorities, worked to fund and support initiatives that have helped address anti-social behaviour and driving; support organisations tackling domestic abuse; and tackle increasing levels of

¹ 'Most Similar Groups' are districts / boroughs that have been found to be the most similar to each other based on an analysis of demographic, social and economic characteristics which relate to crime. They are driven by census data and published by the Office for National Statistics.

² Source: Performance Improvement Branch, Sussex Police.

³ Source: Data Portal, Sussex Road Safety Partnership

serious and violent crime. Key highlights and achievements of the work supported by the CSP are set out under each of the four priorities listed below.

Priority 1 – Address the incidence of anti-social behaviour:

- The Lewes Joint Action Group (LJAG) plays an active role in addressing matters of local concern. The meetings are held each month at locations across the District and are regularly attended by invited representatives from Town and Parish Councils. They provide a forum at which local partners discuss assess police reports of crime and disorder, identify local hot spots and agree solutions, supported by a budget of £5,000. The availability of grants is advertised on the Council's website. LJAG is now supported by an officer within the Neighbourhood First team who has a dedicated focus on community safety matters.
- The *Connected Youth* Programme, fully funded by the CSP, is an outreach programme deploying youth intervention officers from Sussex Community Development Association on an agreed rota across key sites in Newhaven to meet young people and reduce their risk of engaging in anti-social behaviour. The project has actively supported 55 young people in the first three months, linking them with local activities and providing advocacy and support to address their concerns about mental health, housing and substance misuse.
- A multi-agency team has been set up to address concerns about increasing levels of crime and anti-social behaviour in Newhaven. The team works out of Saxon House and undertakes designated patrols around known hot-spot areas across Newhaven. In the first few weeks of operation it successfully identified nine individuals known to cause problems locally and worked to support them in partnership with the Youth Offending team and the District's housing team, Homes First.
- Additional 'surge' funding received from the Home Office was made available to extend the provision of free places at local summer activity schemes. The funds were also used to provide free lunches and sport activity 'take-away' packs, which helped increase the number of children attending the *Open Access Activity Workshops* and *Skate & Paint Activity* sessions run by Wave Leisure across the District. A separate grant was provided to the Landport Community Centre in Lewes, to fund a scheme providing diversionary activity for local 10 - 12 year old children.

Priority 2 – Proactively respond to emerging threats and priorities based on threat, risk and harm:

- In partnership with the Safer East Sussex Team, the CSP has worked to raise awareness of *Reboot* the Sussex Early Intervention Youth Programme. This is a county-wide initiative that identifies young people at risk of being drawn into serious violence, gang activity and County Lines. This initiative has worked with 17 young people across the District since its launch in April 2019
- *Streetz*, an initiative that deployed outreach workers to identify 'hotspots' of County Lines recruitment activity, was established with the help of funding from the CSP. The support workers supported those identified as being at risk by signposting them to advice and support services.
- All summer activity programmes funded by the CSP worked alongside local Youth Offending Teams to target free places at those young people identified

at being at risk of engaging in serious anti-social behaviour and crime.

Priority 3 – Contributing to the work of agencies and partnerships that have a leading role in working with victims and offenders:

- Along with other three CSP's across the County, funding was provided to *Safe from Harm* a project providing emotional and practical support to high-risk victims of hate crime and anti-social behaviour across East Sussex. The programme is set to provide extended support targeted at resolving identified wellbeing needs of 15 victims across the District by the end of the year.
- The CSP continued to support to the Rural Engagement Domestic Abuse Network. The project, initiated with funding provided last year, provides a part-time outreach worker who works with community groups and assists individual victims across the District. At the time of writing, the CSP is considering a separate bid from the provider of the programme, the Rita Project, to deliver awareness and advice sessions in local schools.
- By making an annual funding contribution to support Domestic Homicide Reviews. These undertake detailed assessments of the circumstances surrounding individual cases and apply learning to systems, processes and the practice of all agencies involved to help reduce future risk. There are presently four such reviews taking place or scheduled across East Sussex.

Priority 4 – Reduce the number of people killed or seriously injured on Lewes District's roads:

- By funding the purchase of speed recording equipment, to allow new community groups to participate the *Speedwatch* programme.
- Supporting the production of *Tackling Traffic Dominance in Lewes*, a report summarising a one-day study on observing and reporting issues at five identified locations across the town.
- Initiating a programme of joint Neighbourhood First / volunteer *Speedwatch* visits with the Council's *Neighbourhood First* team.

5. Consultation

- 5.1. An ongoing process of engagement is in place to help assess and evaluate the success of projects and other measures supported by the Partnership. Over the past year this has involved key operational representatives, including those from Sussex Police, East Sussex Fire & Rescue Authority and the Safer East Sussex team. They have met regularly to; consider the implications of issues raised by the Lewes Joint Action Group; analyse crime trends; and respond to emerging threats.
- 5.2. The most recently available figures provide crime data for the twelve months to the end of November 2019. This shows that whilst rates of increase in alcohol related and serious violent crime have slowed, rates for both domestic abuse and especially vehicle crime have increased. Recorded crimes for burglary are also on the rise. We will continue to analyse trends and feed these into the 2020/21 planning process, which will set forthcoming priorities for the CSP plan to be agreed by the partnership in the Spring.

6. Corporate Plan & Council Policies

- 6.1. The objectives of the E&LCSP continue to be in line with the LDC Corporate Plan objective of delivering resilient, healthy and engaged communities by employing strategies that reduce the incidence and fear of crime, tackle anti-social behaviour and work to minimise re-offending. Measures taken to reduce environmental crime and improve road safety raise the quality of the environment for all residents.

7. Business case

- 7.1. The CSP plan sets out the annual approach that the Council, along with other partners, will take to reduce crime and disorder, anti-social behaviour and re-offending across their local area. The current plan identifies clear priorities, agreed with partners, which will help address local issues up to March 2020. The plan is revised and updated each year, with the new plan due to be signed off by the partnership in early Spring 2020. It will be supported by an accompanying spending plan, once the Council receives confirmation from the Sussex Police & Crime Commissioner of its 2020/21 budget allocation.

8. Financial appraisal

- 8.1. There are no direct financial implications for the Council arising from the recommendations set out in this report. However, a summary of the income and expenditure (forecast) managed by the Council on behalf of the CSP is provided in Appendix 1.

Deputy Chief Finance Officer consulted 07.01.2020

9. Legal implications

- 9.1. This report sets out how the Council has complied, and will continue to comply, with its duties under section 6 of the Crime and Disorder Act 1998 and the Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007.

Lawyer consulted 30.12.19

Legal ref: 8829-LDC-OD

10. Risk management implications

- 10.1. Reviewing the Community Safety Plan and performance each year provides an assurance that the Council is fulfilling its statutory duties and contributes effectively to reducing the incidence of crime and anti-social behaviour and the harm caused to local communities.

11. Equality analysis

- 11.1. This report provides an update on progress in meeting the objectives set out in the current Community Safety Plan and as such does not contain any proposals or specific recommendations. As such there are no direct impacts on the public

or employees and so no Equality and Fairness Analysis is associated with this report. The requirement to undertake a full Equality & Fairness Assessment will be assessed when we next review the Eastbourne Community Safety Plan in Spring 2020.

12. Environmental impact analysis

- 12.1. There are no direct environmental impact implications for the Council arising from the recommendations set out in this report.

13. Appendices

- 13.1. Appendix 1 – LCSP Income & Expenditure 2019/20

14. Background papers

- 14.1. The following background papers are associated with this report:
- Eastbourne & Lewes Community Safety Plan.

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Appendix 1 – Lewes Community Safety Partnership – Income & Expenditure
2019/20

LDC - Police & Crime Commissioner Core Grant	£
PCC Grant 2018/19	£34,829.00
Spending / committed	£
Safe from Harm - SCDA	£10,000.00
Connected youth	£9,420.00
Domestic Homicide Reviews	£3,000.00
White Ribbon	£250.00
Community Speedwatch	£1,914.76
Bike marking - Pump House	£166.00
Tackling traffic dominance	£425.00
We're keeping an eye on you' - Speedwatch signage	£1,120.00
Total	£26,295.76
Remain	£8,533.24
Bids to be discussed	£
Just Like Us' - Domestic Abuse schools programme	£6,345.00
ESFRS Safety booklets	£1,350.00
Total	£7,695.00
Remain core funds (subject to bid approval)	£838.24

LDC - Police & Crime Commissioner Surge Grant	£
PCC Grant 2018/19	£12,026.00
Spending / committed to date	£
Wave - Open access for activity	£4,629.00
Wave - Skate & Paint	£6,393.00
Landport community centre	£930.00
Total	£11,993.00
Remaining surge funds	£33.00

2019/20 Balance overall	£871.26
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Agenda Item 8

Report to:	Scrutiny Committee.
Date:	6 February 2020.
Title:	Meeting the Housing Needs of the District's Young People
Report of:	Deputy Chief Executive (Director of Regeneration and Planning).
Ward(s):	All.
Purpose of report:	To suggest the scope for a potential scrutiny review examining the barriers that young people in the District face in securing an access to a suitable housing options.
Officer recommendation(s):	(1) That Scrutiny Committee consider the contents of this report and consider whether any further scrutiny activity is required on this issue and if so how this might be focussed.
Reasons for recommendations:	To enable the Committee to consider how it might wish to review the issues at hand.
Contact Officer(s):	Name: Oliver Jones. Post: Strategy & Partnerships Lead - Housing & Communities. E-mail: Oliver.Jones@lewes-eastbourne.gov.uk. Telephone number: 01323 415 464.

1. Introduction.

- 1.1. The Committee agreed, as part of its work programme for 2019/20, to receive a report on the support available for young people, with a particular focus on access to housing, youth support and employment opportunities. As the primary responsibility for youth and education services lies with the County Council, this report will focus on examining the barriers that young people face when seeking to find quality and affordable homes across the District. Committee may wish to consider further the best way of engaging County Council on the other matters (i.e. youth services and employment opportunities).
- 1.2. In addition to playing a critical role of investigating Cabinet decisions and policies, it is within the scope of the Scrutiny Committee's remit to investigate any issues which it is felt affect the local area or the local area's inhabitants. Relevant guidance encourages scrutiny committees to 'tackles issues of direct relevance to local people' (LGA Councillors Workbook on Scrutiny). The high cost of both rented and owner occupied housing and the limited supply of low cost options for young people has been highlighted as once such concern by the Committee.
- 1.3. This report provides the Committee with information about the operation of the local housing market and considers how this might be impacting the ability of young people to secure a home of their own. For the purposes of this report, young people are defined as households, with or without children, headed by members under the age of 35. As such, the scope of the report can consider the issues experienced by single people seeking to leave their parental home for the first time, as well as households with children looking to rent or buy their first family home. A combination of high rents and house prices, reductions in welfare support and a low supply of affordable homes impacts disproportionately on these household groups.

2. Background.

- 2.1. Access to safe, secure and affordable housing is fundamental to supporting the health and independence of all residents, creating sustainable communities and promoting economic growth. For this reason, *Housing* is one of the key themes that shape the vision for Lewes District set out in the current and 2020-2024 draft Corporate Plans, which set out a series of goals that reflect the District's broader statutory responsibilities and policy activities. This broader set of activities includes:
- 2.2.
 - Planning for and demonstrating a sufficient supply of housing.
 - Promoting the delivery of social affordable housing in both towns and villages.
 - Supporting the delivery of sustainable, energy and resource efficient homes.
 - Preventing and relieving homelessness in their local area.
 - Promoting housing options for all residents.
 - Enforcing minimum housing quality standards across all tenures.
 - Supporting independent living and distributing disabled facilities grants.
- 2.3. Lewes District Council is a direct provider of housing, owning and managing 3,200 rented and leasehold homes. It also administers the local housing register, through which available rented Council and residential social landlords (housing associations) homes are allocated.
- 2.4. Duties to provide various forms of supported housing, housing for 16-17 year olds facing homelessness and households with children that are found to be intentionally homeless fall on East Sussex County Council.
- 2.5. Whilst there is no specific statutory requirement for the District Council to provide housing for young people, the consequences of not making adequate provision could have a significant negative impact at both a personal and district level. *A Place to Grow*, a study released by *The Health Foundation* found that expensive and insecure housing, along with unstable employment contracts were repeatedly identified as factors that had a negative effect on the life chances of young people. Meanwhile, at a district-wide level supporting the independent living needs of younger households is fundamental to the creation of sustainable and economically viable communities. Not doing so presents a risk to this.

3. The District's Housing Challenges

- 3.1. Lewes faces a series of housing challenges, in the main driven by high housing costs across the District and the limited supply of affordable housing for those on low and middle incomes. High costs are not factor unique to Lewes, though it should be noted that average incomes for the District are below the regional South-East average. Together with the implementation of recent welfare reforms, the structure and limited size of the local private rented sector and low levels of social rented lettings, these factors have a significant impact on the ability of all the District's residents to access secure, stable good quality homes. Younger people are likely to be disproportionately affected by these issues, as they are more likely to have lower than average incomes, more likely to be reliant on temporary or insecure jobs and less likely to have equity in an existing property.

- 3.2. As a result many young people are, until their thirties at least, generally unable to raise the finance necessary to purchase a home and may often struggle to raise rental deposits for a privately rented home in the District.
- 3.3. Looking at each of the key housing challenges in turn:
- **Affordability** - Lewes is the most expensive District or Borough in East Sussex in which to buy a home. Although house prices have dipped from their peak in 2016, the average price of a home in February was £320,000, over eleven times the local average full-time salary. Meanwhile average rents for all sizes of accommodation have risen by 16 percent in the past five years and a rent of below £700 for a one-bedroom self contained flat is rare in any part of the District. To remain affordable this would require a household income of £26,000 for those in work, which is above the average of all employees in the District.
 - **Housing welfare subsidies** - A continued freeze of *Local Housing Allowance* rates has a direct impact on those claiming *Housing Benefit (HB)* to pay all or part of their rent, meaning that as private rents increase the contribution or 'top up' that households need to find has increased also. The one-bed rate for the majority of areas in Lewes is £684 pcm, so falls below the majority of rents charged for a one bedroom flats. In addition, the HB (now the housing element of Universal Credit (UC) for new claimants) rate for single claimants under the age of 35 is capped at the shared room rate of £358 pcm, an additional barrier to young people in the District who are unable to find stable employment. There are almost 3,000 single claimants of HB across the District.
 - **Welfare reforms** - The ongoing implementation of welfare reforms and rollout of UC in particular, are continuing to have an impact on all households in the District. Although there are no specific figures available to assess the impact by age of households, feedback from *Homelink Lewes* (a District backed charity that provides emergency loans to cover rent and deposits for local household threatened with homelessness) points to a large increase in the number of referrals in receipt of UC. Over 40% of these applications are from households headed by a person under 30 years of age.
 - **Private rented sector** - There is a high level of home ownership in Lewes, with only 14 percent of the local housing stock available for rent privately, lower than the equivalent national, regional and County (18 percent) level. A low proportion of these are available as shared accommodation and there are only 15 registered Housings in Multiple Occupation (HMOs) and an estimated 200 shared homes across whole of the District. A recent search on *Rightmove* returned a total of just 18 one bed and 3 studio flats available for rent. There were no shared rooms being advertised. The same search for Eastbourne (bearing in mind that the total housing stock in not dis-similar) returned almost eighty available properties.
 - **Demand (overall)** – The overall population of Lewes is projected to grow by 6.7% in the next ten years and whilst the overriding trend across the District is one of ageing, the number of young people is expected is projected to grow by 10% during this time. As such, within the context of higher demand more generally, there will be ongoing demand for affordable homes that meet the aspirations of young people who want to live independently in the District.

- **Social housing vacancies and demand**– The turnover of social rented homes is low and has decreased as those in social housing have been unable to move on to home ownership. In 2017/18 there were only 61 lettings of existing and new Council general needs homes, with a similar number of housing association lettings recorded across the District (59). There are over a thousand applications accepted on the District’s housing and the demand for social housing amongst younger households, unsurprisingly, is high. An analysis of the age of lead applicants shows that 18-34 year olds make up 31% of the list (yet only 19% of the District’s adult population¹).

3.4. The combined impact of these challenges mean that young people now face a significantly greater challenge of moving towards independent living than previous generations. This process can be even more difficult for those young people often living with identified vulnerabilities, which can include care leavers or those experiencing physical or mental health issues.

4. Addressing High Housing Costs – Council Policies

4.1. The focus of the District’s housing approach is set out in the *Local Plan*, which recognises that high housing costs and below average earning for the South-East are driving the demand for more affordable rented and low cost ownership homes. Specific plans to boost supply were set out in a supplementary planning document in July 2018². This set out a District wide policy requirement for developers to build 40% affordable housing on all schemes of eleven or more homes, based on a guideline 75% rented / 25% shared ownership split. The 2020-24 draft Corporate Plan sets out a clear target to build 300 affordable and 200 Council homes across the plan period, to help open up access to quality housing options for low and middle income households.

5. Meeting Young Peoples’ Housing Needs

5.1. Increasing availability of affordable homes will undoubtedly be of benefit to young households with low-cost home ownership products in particular, tending to be directed at and taken up by this group. However, there are a range of other strategic approaches that may be able to help address the housing needs of this group, including; research that look to better establish housing needs; measures that take a cross-tenure approach to meeting demand; and schemes that can draw on a range of subsidies to reduce the market cost of housing. These schemes may use ‘supply side’ subsidies, such as the grants provided to councils and residential landlords to reduce the costs of the homes the build and ‘demand side’ subsidies, that reduce the cost of housing at point of purchase, such as the Government’s ‘Help to Buy’ scheme, which provides equity loans to reduce costs.

5.2. The section below set out some of the areas that Committee may wish to consider:

¹ ONS Population projections for 2020 (trend based).

² LDC Affordable Housing – Supplementary Planning Document, July 2018

- **Better understanding local young people’s housing needs.** Fully understanding the levels and nature of future demand is key and as well as the routine analysis of population projections and migration trends, future housing needs assessments could be scoped to include a greater focus on young people. In doing so they could; include a robust analysis of young people’s incomes in relation to local purchase prices / rental costs; seek to assess the housing aspirations of young people in the district and what drives these; and set out to better understand the needs of local young people with vulnerabilities or additional challenges.
- **Meeting the home ownership aspirations of young people.** Positively engaging with developers and directing planning policy to ensure that new schemes make provision for delivering flats and smaller one and two bed houses can help ensure a supply of homes that are more affordable to first time buyers. Other measures might include; encouraging all developers applying for permission in the District to sign up to the Government’s Help to Buy scheme (a new scheme running from 2021 has recently been announced); optimising the provision of shared ownership delivery in schemes; and ensuring that these schemes subscribe to new Government criteria offering ‘staircasing’ opportunities in smaller increments.
- **Shaping private renting.** Measures that might look to expand the role of the size of the private rented sector and improve its resilience, by improving the range, quality and stability of the homes it provides. These may include:
 - Exploring the potential to open up the development of ‘build for rent’ schemes that provide new purpose built homes (usually flats) for rent. Schemes have proved a popular model of development in larger towns and cities and encourage institutional investors to provide professionally managed accommodation that can offer the benefits of longer fixed term tenancies. Schemes should include the provision of ‘affordable private rent’ homes, generally determined to be let at 80% of the full market rent.
 - Working with developers to model schemes that reduce rental costs by balancing communal and private space to reduce the size of individual units, increase density and lower weekly rents.
 - Supporting the more traditional private rented sector by introducing income protection bonds that underwrite the rent for young people - such schemes are commonly used for helping incentivise landlords to house homeless households.
- **Direct provision of schemes for young people.** Council owned investment vehicles can provide mechanisms through which to directly build schemes to meet recognised local needs. The Executive Committee of the Lewes Housing Investment Company meets in March to discuss how strategic objectives can be directed to meet local needs and make a commercial rate of return, whilst Aspiration Homes already sets out an ambition to meet the needs of younger households through the provision of low cost rental and shared ownership homes. Broader partnership work with our statutory partners and local housing associations can help ensure that the housing needs of young people with vulnerabilities and additional needs are met across the District.

- **Housing options advice.** Ensuring that our teams providing housing options services are fully aware of the options available to middle income households, who are struggling to move on and obtain a foothold in the property market, is a straight forward way of opening up the access that local residents have to developers and residential social landlord offering Help to Buy, shared ownership and other low cost home ownership products. Ensuring that our webpages to provide up to date links to providers is also key.

5.3. Taking steps to improve the access that younger people have to securing quality housing in the District is likely to require considering a blend of the measures set out above. Further work to assess the implications costs and viability of each of the areas suggested for consideration would be required before any clear proposals could be put forward for adoption. This process could take part as part of a forthcoming review of the Lewes' Housing Strategy scheduled to take place in the Spring.

6. Financial appraisal

6.1. There are no recommendations associated with this report that have any direct financial implications for the Council.

7. Legal implications

7.1. There are no recommendations associated with this report that have any direct legal implications for the Council.

8. Risk management implications

8.1. There are no recommendations associated with this report that have any direct risk management implications for the Council.

9. Equality analysis

9.1. There are no recommendations associated with this report that have any direct equality or diversity implications for the Council. However, should any recommendation arise from this report, or any further scrutiny activity, then this position will need to be reviewed.

10. Environmental impact analysis

10.1. There are no recommendations associated with this report that have any direct environmental or sustainability implications for the Council.

11. Appendices

11.1. There are no appendices associated with this report.

12. Background papers

12.1. • Local Government Association – A Councillors Workbook on Scrutiny

- <https://www.local.gov.uk/councillors-workbook-scrutiny>
- The Health Foundation – A Place to Grow
https://www.health.org.uk/sites/default/files/upload/publications/2018/A-place-to-grow_0.pdf

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Agenda Item 9

Report to:	Scrutiny Committee
Date:	6 February 2020
Title:	Voluntary Sector Support
Report of:	Ian Fitzpatrick, Deputy Chief Executive (Director of Regeneration and Planning).
Cabinet member:	Councillor Johnny Denis, Cabinet Member for Communities and Customers
Ward(s):	All
Purpose of report:	To provide the Scrutiny Committee with an overview of how funding provided by the Council in 2019/20 has been spent by funded organisations, note the proposed review to policy and to note the planned grant allocation for 2020/21.
Decision type:	Key
Officer recommendation(s):	That the committee: (1) Note the planned allocation of funding to voluntary organisations for 2020/21, as set out in paragraph 3.19. (2) Note the proposed 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. (3) Note 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.
Reasons for recommendations:	(1) To allow continuation of funds to key voluntary organisations to enable the programmed delivery of services in the district. (2) To enable Members to consider whether they wish any changes to be made in the way that grants are allocated in the future.

Contact Officer(s): **Name: Seanne Sweeney**
Post title: Strategy & Corporate Projects Officer, Thriving Communities
E-mail: Seanne.Sweeney@lewes-eastbourne.gov.uk
Telephone number: 01273 085 630

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 (£)
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Lewes District Citizens Advice	Core Grant 140,340 (HRA benefits advice) 17,500 (HRA money advice) <u>17,500</u> <u>175,340</u>	Core Grant 140,340 (HRA benefits advice) 17,500 (HRA money advice) <u>17,500</u> <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 Homelink	11,800	11,800
BHT Advice – Universal 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.

Appendix 1

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

Appendix 1

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.

SignedDate
(to be signed by an authorised officer)

Position in organisation.....

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

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Report to:	Scrutiny
Date:	6 February 2020
Title:	Draft Budget Proposals 2020/21
Report of:	Chief Finance Officer
Ward(s):	All
Purpose of report:	To provide the Scrutiny Committee with the Draft Budget proposals for 2020/21.
Officer recommendation(s):	(1) That the Scrutiny Committee considers the draft budget proposals for 2020/21 (2) The the Scrutiny Committee responds to the Cabinet with any recommendations it wishes to be considered.
Reasons for recommendations:	To fullfill the role of the Scrutiny Committee through input into the budget setting process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01273 415272

1 Introduction

- 1.1 This report introduces the suite of reports that form the Council's Draft Budget proposals for 2020/21 and that the Cabinet will consider and propose for approval by Full Council. One of the roles of Scrutiny is to provide a critical friend challenge to the Executive's decision making process and this includes the Council's financial planning process. This is supported through the Constitution within the Council's Budget and Policy Framework, allowing the Scrutiny Committee to input into the budget setting process and further, to be included as a consultee.
- 1.2 Although it is recognised that 'budget scrutiny' is a difficult area, the Scrutiny Committee has a responsibility to the District's residents to ensure that the use of public money is appropriately scrutinised while recognising the regional and national financial pressures faced by local government and the impact of continued reductions in the revenue support grant from central government.
- 1.3 A key element of Scrutiny's work in looking at the budget proposals is how to 'add value' to the decision making process while avoiding duplicating work done by other committees or groups.

2 Draft Budget reports

2.1 The three reports that the Scrutiny Committee will consider and which form the Draft Budget proposals, and which are appended to this report are the:

- General fund budget 2020/21 and capital programme
- Housing revenue account budget 2020/21
- Treasury Management and Prudential Indicators 2020/21, Capital Strategy & Investment Strategy

3 Financial appraisal

The financial implications of each of the individual budget reports are set out in each Appendix. Although there are no direct financial implications resulting from the recommendation above, if any changes are proposed by the Scrutiny Committee, there may be financial implications to be taken into account by Cabinet in accepting such changes.

4 Legal appraisal

There are no direct legal implications as a result of the Scrutiny Committee's consideration of the Draft Budget proposals for 2020/21.

5 Equality analysis

Although there is no direct impact on equalities as a result of the Scrutiny Committee's consideration of the Draft Budget proposals for 2020/2, an Equality and Fairness Analysis has been undertaken relating to aspects of the HRA report where potential impacts to protected groups were identified. Changes to charges will impact the protected groups of age and disability, additionally those experiencing homelessness and potentially carers may be impacted.

6 Environmental sustainability implications

There are no direct implications on environmental sustainability as a result of the Scrutiny Committee's consideration of the Draft Budget proposals for 2020/21.

7 Appendices:

- Appendix 1 – General fund budget 2020/21 and capital programme
- Appendix 2 – Housing revenue account budget 2020/21
- Appendix 3 – Treasury Management and Prudential Indicators 2020/21, Capital Strategy & Investment Strategy

8 Background papers

The background papers used in compiling this report were as follows:
There are none.

Report to: Cabinet

Date: 10 February 2020

Title: General Fund Revenue Budget 2020/21 and Capital Programme

Report of: Chief Finance Officer

Cabinet member: Councillor Zoe Nicholson, Leader of Council, Cabinet Member for Finance

Ward(s): All

Purpose of report: To agree the updated General Fund budget and updated MTFs, together with the updated Capital Programme position.

Decision type: Budget and policy framework

Officer recommendation(s): Members are asked to recommend the following proposals to Full Council:

- 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.
- 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
- iii) The revised General Fund capital programme 2020/21 revised as set out in Appendix 5.
- iv) To note the section 151 Officer's sign off as outlined in the report.

Reasons for recommendations: 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.

Contact Officer(s): Name: Homira Javadi
Post title: Chief Finance Officer
E-mail: Homira.Javadi@lewes-eastbourne.gov.uk

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;

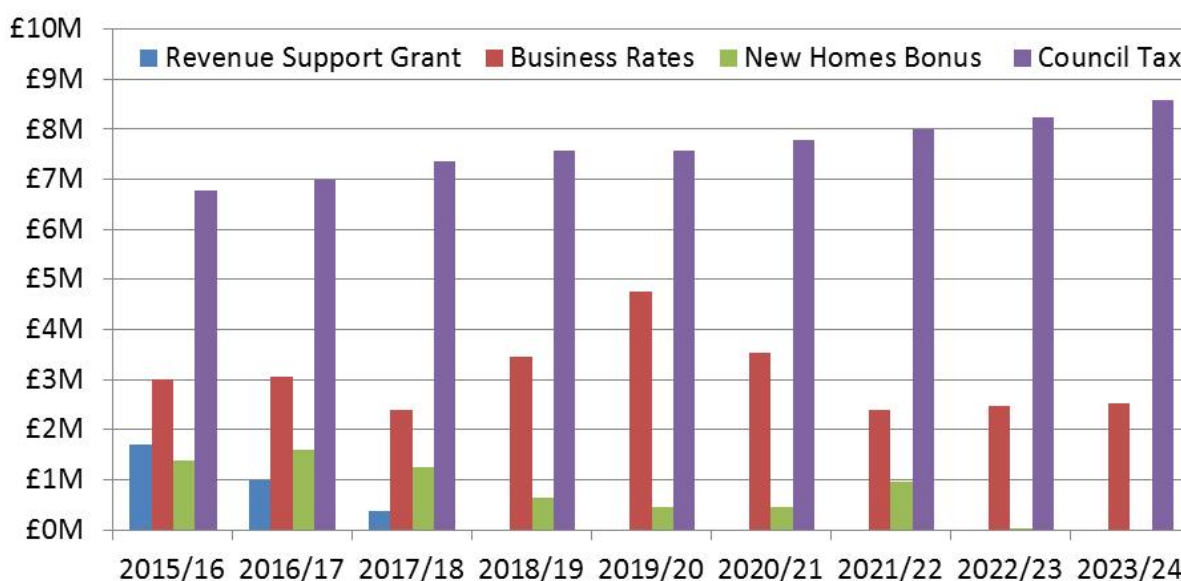
- e) Continuation of the option for shire districts with the lowest council tax levels to increase council tax by the higher of 2% or £5. The Government will continue with its policy of not setting referendum limits for parish and town councils, which they will keep under review for future years.

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
Total Resources	13.458	12.142	10.784	11.054	11.375

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 £	Band D 2020/21 £	Special Expenses 2019/20 £	Band D 2019/20 £
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
TOTAL SPECIAL EXPENSES	642,310	17.45	641,330	17.45

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 £	2020/21 £	Change £	Change %
Band D				
Special Expenses	17.45	17.45	0.00	0.0%
General Expenses	187.08	192.08	5.00	2.7%
Total	204.53	209.53	5.00	2.4%

The Council has to give an indication of likely future council tax rises, it is still

- 4.4 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 - (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
	53

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

Analysis of Major Movements	£000
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)
Initial Budget Gap	1,149
Use of Contingency	(1,300)
Additional Efficiency Savings	(114)
Corporate Landlord – Additional Income	(98)
Contribution to Reserves	664
Revised Budget Gap	301

- 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

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Budget Forecast	12,377	11,425	11,232	11,203
External Funding	(10,857)	(10,689)	(10,650)	(10,635)
Annual Budget Gap	1,520	736	582	568
Cumulative Budget Gap	1,520	2,256	2,838	3,406

- 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 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Adjusted Base Budget	14,607	14,607	13,169	14,267	15,075
Additional budget pressure		1,708	1,098	808	818
Initial Budget Forecast	14,607	16,315	14,267	15,075	15,893
External Funding	(13,458)	(12,142)	(10,784)	(11,054)	(11,376)
Initial Budget Gap	1,149	4,173	3,483	4,021	4,517
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)			
Cumulative Budget Gap	301	(300)	3,383	3,921	4,417

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	
SUMMARY								
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)	
Total Service Expenditure	13,244	8,274	8,712	439		670	13,914	
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	
Net Expenditure	13,458	8,259	8,362	704		1,149	14,607	
Forecast Increase on Original Full Year Budget							1,149	

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)
Total Service Expenditure	13,914	350	0	400	458	15,122
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
Net Expenditure	14,607	350	500	400	458	16,315

External Funding	(12,142)
Initial Budget Gap	4,173
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)
	(300)

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)
Total Service Expenditure	13,244	8,274	8,712	439	969	14,213
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
Net Expenditure	13,458	8,259	8,362	704	1,149	14,607
Forecast Increase on Original Full Year Budget						1,149

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.

	Current Budget	Profiled Budget	Actual to 30 Sept 2019	Variance to date
	£'000	£'000	£'000	£'000
HRA				-
Income	(16,021)	(8,010)	(8,010)	
Expenditure	14,183	6,418	6,801	383
Capital Financing & Interest	2,170	910	910	-
Total HRA	(29)	(682)	(299)	383

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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Appendix 3

SUMMARY OF SAVINGS AND GROWTH

	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
SAVINGS AND INCOME PROPOSALS				
Corporate Services	(91)	(91)	(91)	(91)
Service Delivery	(865)	(865)	(865)	(865)
Regeneration and Planning	(237)	(237)	(237)	(237)
TOTAL SAVINGS AND INCOME PROPOSALS	(1,193)	(1,193)	(1,193)	(1,193)
GROWTH PROPOSALS				
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
TOTAL GROWTH PROPOSALS	1,650	1,630	1,630	1,630
NON RECURRING GROWTH AND SAVINGS	458	438	438	438
NON-RECURRING GROWTH PROPOSALS				
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
TOTAL NON-RECURRING GROWTH PROPOSALS	201	0	0	0
TOTAL BUDGET MOVEMENT	658	438	438	438

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	Housing								
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	Total Housing Investment	16,055	24,183	6,151	12,634	17,853	17,705	18,145	66,337
16	GENERAL FUND CAPITAL PROGRAMME								
17	JTP	-	429	-	262	-	-	-	262
18	Regeneration								
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	Waste								
26	Vehicles	156	986	964	-	329	-	227	556
27	Other Equipment	71	978	-	-	-	-	-	-
28	Specialist								
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	IT								
34	IT Block Allocation	150	150	150	150	185	150	150	635
35	Asset Management								
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	CIL								
45	Finance Transformation	-	322	-	-	-	-	-	-
46	Total General Fund Capital Programme	10,858	38,145	5,750	2,398	26,722	6,136	1,663	36,919
47	TOTAL CAPITAL PROGRAMME REQUIREMENT	26,913	62,328	11,901	15,032	44,575	23,841	19,808	103,256

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	FUNDING AVAILABILITY								
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	HRA - Total Funding	-	-	5,015	7,002	15,467	15,319	15,759	53,547
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	GF - Funding Availability	26,913	62,328	6,886	8,030	29,108	8,522	4,049	49,709
65	Total Funding Availability	26,913	62,328	11,901	15,032	44,575	23,841	19,808	103,256

Appendix 6

RISKS	LIKELIHOOD H (HIGH), M (MEDIUM), L (LOW)	IMPACT H (HIGH), M (MEDIUM), L (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

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

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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Report to: Cabinet

Date: 10 February 2020

Subject: Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2020/21 and HRA Capital Programme 2019-23

Report of: Chief Finance Officer

Cabinet member: Councillor Zoe Nicholson, Leader of Council, Cabinet Member for Finance

Ward(s): All

Purpose of the report: To agree the detailed HRA budget proposals, rent levels, service charges for 2020/21, and the HRA Capital Programme 2019-23

Decision type: Key Decision

Recommendation: Members are asked to recommend the following proposals to Full Council:

- i) The HRA budget for 2020/21 and revised 2019/20 budget as set out in Appendix 1
- ii) That social and affordable rents (including Shared Ownership) are increased by 2.7% in line with government policy
- iii) That private sector leased property rents are increased by 3.4% (RPI+1%).
- iv) That the revised service charges are implemented
- v) That garage rents are increased by 3.4% (RPI+1%).
- vi) The HRA Capital Programme as set out in Appendix 2

Reasons for recommendations: 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.

Contact Officer(s) Name: Andrew Clarke
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Telephone Number: 01323 415691

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:

	HRA Working Balance	Major Repairs Reserve (MRR)
	£'000	£'000
Balance at 1.4.19	2,667	6,909
Surplus/(Deficit)	496	
Depreciation		5,000
Expenditure Financed from MRR		(4,803)
Estimated Balance 31.3.20	3,163	7,106
Surplus/(Deficit)	335	
Depreciation		5,116
Expenditure Financed from MRR		(11,565)
Estimated Balance 31.3.21	3,498	657

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 6th 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 Budget £' 000	Revised Budget £'000		Budget £' 000
INCOME			
(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)
(16,021)	(16,330)	GROSS INCOME	(16,511)
EXPENDITURE			
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
13,562	13,385	GROSS EXPENDITURE	13,700
(2,459)	(2,945)	NET COST OF HRA SERVICES	(2,811)
621	576	HRA share of Corporate and Democratic Core	590
(1,838)	(2,369)	NET OPERATING COST OF HRA	(2,221)
Capital Financing and Interest Charges			
1,850	1,922	Interest Payable	1,922
(41)	(49)	Interest Receivable	(36)
0	0	Revenue Contribution to Capital	0
1,809	1,873	Total Capital Financing and Interest Charges	1,886
(29)	(496)	HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	(335)
HOUSING REVENUE ACCOUNT WORKING BALANCE			
(2,251)	(2,667)	Working Balance at 1 April	(3,163)
(29)	(496)	(Surplus) or Deficit for the year	(335)
(2,280)	(3,163)	Working Balance at 31 March	(3,498)

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Appendix 2

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2019/20 - 2022/23						
Scheme	Total Scheme Cost £000	Original Allocation 2019/20 £000	Revised Allocation 2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
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
Total HRA Capital Programme		5,015	7,002	15,467	15,319	15,759
Funded by:						
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
Total Financing		5,015	7,002	15,467	15,319	15,759

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Report to: Cabinet

Date: 10 February 2020

Title: Treasury Management and Prudential Indicators 2020/21, Capital Strategy & Investment Strategy

Report of: Chief Finance Officer

Cabinet member: Councillor Zoe Nicholson, Leader of the Council and Cabinet Member for Finance

Ward(s): All

Purpose of the report: To approve the Council's Annual Treasury Management Strategy, Capital Strategy & investment Strategy together with the Treasury and Prudential Indicators for the next financial year.

Decision type: Budget and policy framework

Recommendation: Cabinet is asked to recommend the following proposals to full Council to :

- a. Approve the Treasury Management Strategy and Annual Investment Strategy for 2020/21 as set out in Appendix A;
- b. Approve the Minimum Revenue Provision Policy Statement 2020/21 as set out at paragraph 8;
- c. Approve the Prudential and Treasury Indicators 2020/21 to 2022/23, as set out at paragraph 6;
- d. Approve the Capital Strategy set out in Appendix E.

Reasons for recommendations: It is a requirement of the budget setting process for the Council to review and approve the Prudential and Treasury indicators, Treasury Strategy, Capital Strategy and Investment Strategy.

Contact Officer: Ola Owolabi, Deputy Chief Finance Officer
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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

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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

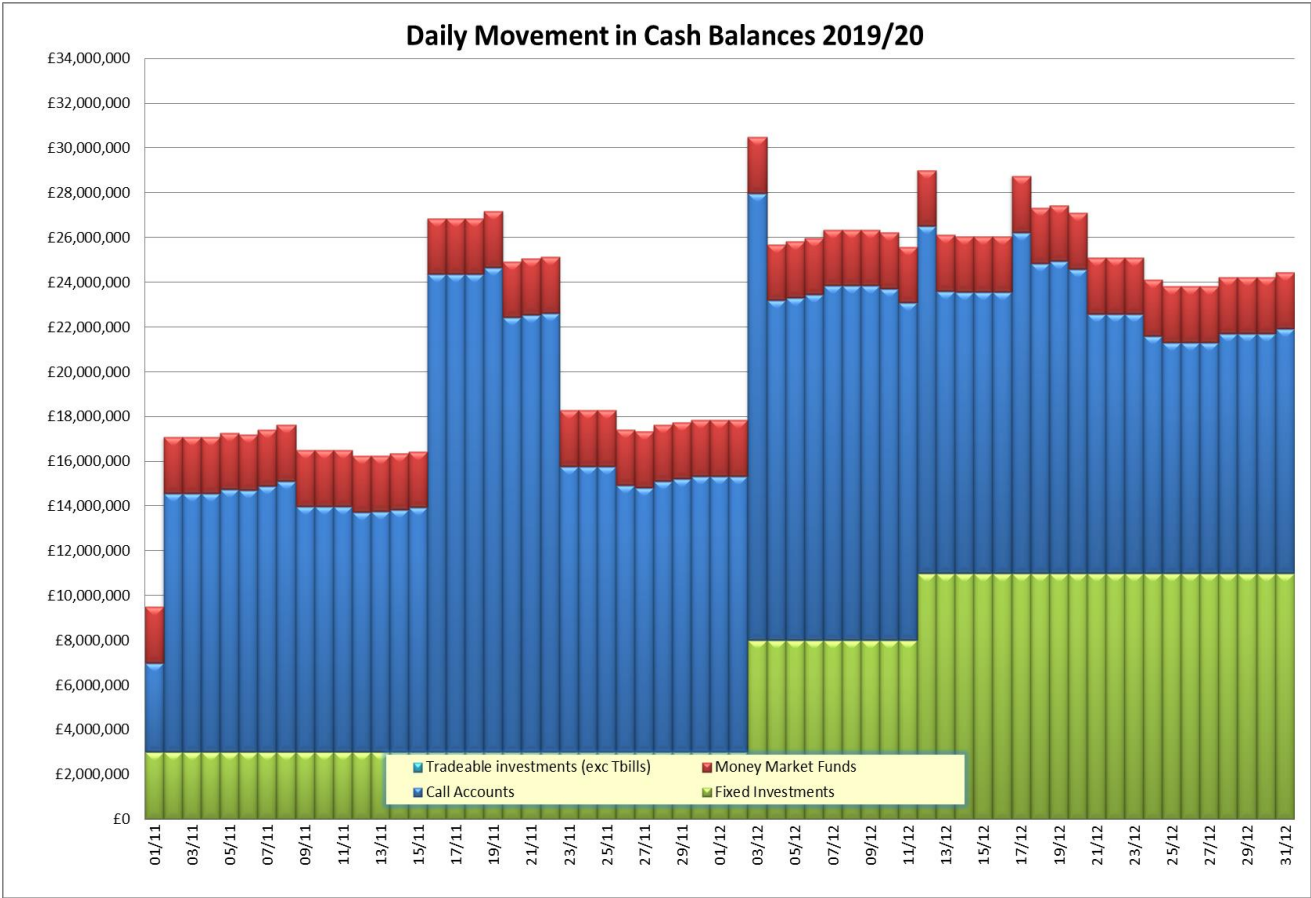
cost of borrowing. For local authorities, who have access to borrowing at relatively low rates, there are tempting opportunities to generate income at no net capital or revenue cost.

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 on 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.

Table 2a	2019/20	2020/21	2021/22	2022/23
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Capital Expenditure				
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
Total	15.0	44.6	23.8	19.8
Financed by:				
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
Borrowing Need	6.8	27.8	13.1	11.1

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.

Table 2b Capital Financing Requirement	2019/20	2020/21	2021/22	2022/23
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
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
Total CFR	87.1	113.9	125.2	134.2
Movement in CFR	5.1	26.8	11.4	9.0
Movement in CFR represented by-				
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)
Movement in CFR	5.1	26.8	11.4	9.0

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.

Table 3	2019/20	2020/21	2021/22	2022/23
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
GF Borrowing at 1 April	-	5.1	32.2	38.9
HRA Borrowing at 1 April	56.7	56.7	56.7	62.5
Borrowing at 31 March	56.7	61.8	88.9	101.4
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
Borrowing at 31 March	61.8	88.9	101.4	111.7
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)
CFR at 31 March	87.1	113.9	125.2	134.2
Under borrowing	25.3	25.0	23.8	22.6

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:

Table 4	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital Expenditure (gross) Council's capital expenditure plans (including HRA)	£15.0m	£44.6m	£23.8m	£19.8m
Capital Financing Requirement Measures the underlying need to borrow for capital purposes (including Leases)	£87.1m	£113.9m	£125.2m	£134.2m
Ratio of financing costs to net revenue stream 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%
Incremental impact of capital investment decisions on council tax 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:

Table 5 - Authorised Limit for External Debt	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
	£m	£m	£m	£m
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
	127.7	132.0	132.0	142.0
<p>The Authorised Limit - 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>				
Operational boundary for external debt	£m	£m	£m	£m
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
	117.7	122.0	122.0	132.0
<p>The Operational Boundary - 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>				
Upper limit for fixed interest rate exposure* Identifies a maximum limit for fixed interest rates for borrowing and investments.	100%	100%	100%	100%
Upper limit for variable interest rate exposure* Identifies a maximum limit for variable interest rates for borrowing and investments.	25%	25%	25%	25%
Maturity Structure of Borrowings* The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing:				

Table 5 - Authorised Limit for External Debt	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 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.

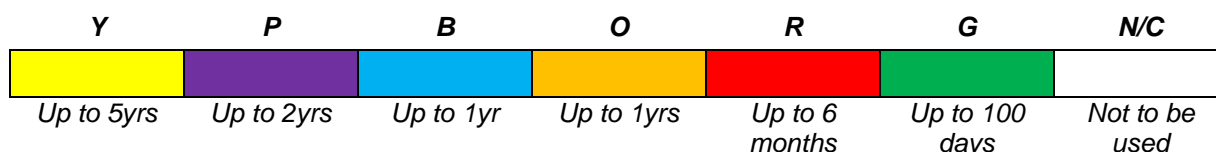
This modelling approach combines credit ratings with the following overlays:

- 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:

Table 7	Country/ Domicile	Instrument	Maximum investments	Max. maturity period	
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 • Lloyds Bank • Bank of Scotland	UK	TD (including callable deposits), Certificate of Deposits (CD's)	£5m	1 yr	
RBS/NatWest Group • Royal Bank of Scotland • 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/ EU domiciled		AAA rated Money Market Funds	£10m	Instant access
Counterparties in select countries (non-UK) with a Sovereign Rating of at least AA+					
Australia & New Zealand Banking Group	Australia	TD / CD's	£5m	1 yr	

Table 7	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
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:

Table 8	Minimum credit criteria	Maximum investments	Period
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 Long Term Status	Long Term	Short Term	Viability	Moody's Ratings Long Term Status	Long Term	Short Term	S&P Ratings Long Term Status	Long Term	Short Term	Suggested Link Duration	EBC Duration	CDS Price	Invest. Limit
Australia	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
Belgium	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
Canada	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
Denmark	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
Finland	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
France	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
Germany	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 Long Term Status	Long Term	Short Term	Viability	Moody's Ratings Long Term Status	Long Term	Short Term	S&P Ratings Long Term Status	Long Term	Short Term	Suggested Link Duration	EBC Duration	CDS Price	Invest. Limit
Netherlands	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
Qatar	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
Singapore	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
Sweden	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
Switzerland	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
United Arab Emirates	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
United Kingdom	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		Suggested Link Duration	EBC Duration	CDS Price	Invest. Limit
	Long Term Status	Long Term				Long Term Status	Long Term			Long Term Status	Long Term				
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
United States	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
Official Bank Rate														
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
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
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
3-month money market rate														
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
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
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
1yr money market rate														
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
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
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
5yr gilt yield														
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
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
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
10yr gilt yield														
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
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
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
20yr gilt yield														
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
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
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
50yr gilt yield														
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
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
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
TOTAL	15.0	44.6	23.8	19.8

- 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 budget	2020/21 budget	2021/22 budget	2022/23 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
TOTAL	15.0	44.6	23.8	19.8

- 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 budget	2020/21 budget	2021/22 budget	2022/23 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 budget	31.3.2021 budget	31.3.2022 budget	31.3.2023 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
TOTAL CFR	87.1	113.9	125.2	134.2

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 budget	31.3.2021 budget	31.3.2022 budget	31.3.2023 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 limit	2020/21 limit	2021/22 limit	2022/23 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 31st 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 31st 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 forecast	2020/21 forecast	2021/22 forecast	2022/23 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 forecast	2020/21 forecast	2021/22 forecast	2022/23 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.

Report to:	Scrutiny
Date:	6 February 2020
Title:	Corporate Plan 2020-24
Report of:	Deputy Chief Executive (Director of Regeneration and Planning).
Cabinet Member:	Councillor Zoe Nicholson – Leader of the Council
Ward(s):	All
Purpose of report:	For Scrutiny to consider the draft Lewes District Council Corporate Plan 2020 – 24 and make any recommendations to the Cabinet.
Officer recommendation(s):	1) To consider the draft Corporate Plan for 2020-2024 and; 2) To make recommendations to the Cabinet.
Reasons for recommendations:	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.
Contact Officer(s):	Name: Millie McDevitt Post title: Performance and Programmes lead E-mail: Millie.Mcdevitt@lewes-Lewes.gov.uk Telephone number: 01323415637

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 Scrutiny Members consideration having regard to the following:
 - 2.2 The Council's existing programme of transformation projects, community initiatives and policy commitments;
 - 2.3 The needs and aspirations of the people who live and work in Lewes District
 - 2.4 The priorities expressed by the Administration during and since the elections in May 2019 ; and
 - 2.5 The financial and policy drivers likely to impact the Council in the short to medium term.

3. Consultation

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.

10 Appendices

- Appendix 1 – Draft Corporate Plan

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Re-imagining Lewes District

Corporate Plan 2020 → 2024



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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

Report to:	Scrutiny
Date:	6 February 2020
Title:	Portfolio Progress and Performance Report 2019/20- Quarter 3 (1 October-31 December 2019)
Report of:	Deputy Chief Executive (Director of Regeneration and Planning)
Cabinet member:	Councillor Chris Collier, Portfolio Holder
Ward(s):	All
Purpose of report:	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.
Decision type:	Non-key
Officer recommendation(s):	Note progress and performance for Quarter 3 and Quarter 2.
Reasons for recommendations:	To enable Scrutiny members to consider specific aspects of the Council's progress and performance.
Contact Officer(s):	Name: Millie McDevitt Post title: Projects and Performance Lead E-mail: Millie.McDevitt@lewes-eastbourne.gov.uk Telephone number: 01273 085637 / 01323 415637







1 Introduction

- 1.1 The Council has an annual cycle for the preparation, implementation and monitoring of its business plans and budgets. This cycle enables us regularly to review the Council's work, and the targets it sets for performance, to ensure these continue to reflect customer needs and Council aspirations.
- 1.2 It is important to monitor and assess progress and performance on a regular basis, to ensure the Council continues to deliver priority outcomes and excellent services to its customers and communities.
- 1.3 This report sets out the Council's performance against its targets and projects 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 as 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 Project is on track		Performance that is below target Projects that are not expected to be completed in time or within requirements
	Project has been completed, been discontinued or is on hold		Performance that is slightly below target but is within an acceptable tolerance Projects : where there are issues causing significant delay, changes to planned activities, scale, cost pressures or risks
	Direction of travel on performance indicator : improving performance		Direction of travel on performance indicator : declining performance
	Direction of travel on performance indicator : no change		Data with no performance target





1. Leader & lead officer (Deputy Chief Executive)

Projects & Programmes

Project / Initiative	Description	Target Completion or key milestone date	Status	Update
Page 88 North Street Quarter	Regeneration of the North Street Quarter area in Lewes to provide 416 homes; health hub; car park and new commercial space.	Phase 1 completion: Q1 2021/22		<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>
Springman House- Blue light services hub	Relocation of key emergency services to create a blue light services hub that supports delivery of the North Street Quarter.	Q3 2019/20- key milestone (planning)		<p>Discussions are ongoing with East Sussex Fire & 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. The working group will report to Scrutiny on 6 Feb and then Cabinet.

Key Performance Indicators

KPI Page 189	Annual Target	Preceding year: Q3 2018/19	Preceding quarter: Q2 2019/20	Current: 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) Page 190	NEZ covers 8 key sites of strategic importance with the aim of driving economic growth through the creation of up to 55,000m ² of new employment floor space, refurbishing 15,000m ² of existing employment floor space and creating / sustaining up to 2,000 FTE jobs over a 25-year period. In 2019/20 we expect to reach the following milestones:	Overall Q4 2041/42 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. 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 style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 191</p> <p>Neighbourhood Planning</p>	Ongoing with annual review.	Q4 2019/20		<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 27th 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 28th. 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
							<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
Reduce the number of reported fly-tipping incidents	data only-reducing	New PI for 19/20	39	27	↑	Data only 	<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 	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"> • 38 leaky dams, • 15 landowners engaged in process, • 0.1ha of wader scrape created in the floodplain, and donation received from local school to plant trees as part of carbon offsetting project.
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 & 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"> - Recruitment and appointment to a new post covering this work - All committee papers now include a sustainability implications statement - Action plan written which includes funding proposals <p>Further detail is contained in the Cabinet progress update report elsewhere in this agenda.</p>

Key Performance Indicators

KPI	Annual Target	Preceding year: Q3 2018/19	Preceding quarter: Q2 2019/20	Current: Q3 2019/20	Performance trend	Status	Notes
		Out-turn	Out-turn	Out-turn	Q2 to Q3		
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.

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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%			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.

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 31st 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 (No quality of response to be reported in commentary) 2020	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"> -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. -Close management of work coming into the section by the team leaders,

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"> -Ensuring new claims do not get overlooked and follow up action is taken in a timely manner - Additional training provided to caseworkers - Additional support provided to caseworkers through the Specialists' Buddy' system -Caseworkers becoming more experienced.
P 202 Average number of days to process new claims for change of circumstances	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 style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 203</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 style="text-align: center;"></p>	<p>Devolution sites to Newhaven Town Council:</p> <ul style="list-style-type: none">  <u>Eastside Rec</u>-Completed in August 2019  <u>Lewes Road Rec</u> – awaiting approval from NTC to amended boundary.  <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. <p>Ongoing</p> <ul style="list-style-type: none">  <u>Drove Park Recreation Ground</u>: There is an outstanding issue regarding access over the Industrial Estate. Completion date asap  <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. <p>Next wave</p> <ul style="list-style-type: none">  <u>Castle Hill nature reserve & 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. <p>Devolution sites to Lewes Town Council :</p> <ul style="list-style-type: none">  <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

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>Devolution sites Rural Areas :</p> <ul style="list-style-type: none"> ✔ <u>East Chiltington, Hollycroft Field including play space</u>: Final terms of management being agreed. Estimated completion date Jan 2020 subject to parish council agreement.

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
Continued Improvement in average working days lost due to sickness per FTE equivalent staff	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	↑	✓	



Lewes District Council

FORWARD PLAN OF DECISIONS

Period covered by this Plan:

1 January to 30 April 2020

Date of publication:

10 January 2020

Councillor Zoe Nicholson: Leader of the Council and Chair of Cabinet.

Councillor James MacCleary: Deputy leader and Cabinet member for regeneration and prosperity

Councillor Matthew Bird: Cabinet member for sustainability

Councillor Julie Carr: Cabinet member for recycling and open spaces

Councillor Chris Collier: Cabinet member for performance and people

Councillor Johnny Denis: Cabinet member for communities and customers

Councillor William Meyer: Cabinet member for housing

Councillor Emily O'Brien: Cabinet member for planning

Councillor Ruth O'Keeffe: Cabinet member for tourism and devolution

Please see the explanatory note appended to this Plan for further information and details of how to make representations and otherwise contact the Council on matters listed in the Plan. Documents referred to will be available at least 5 clear working days before the date for decision.

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Portfolio progress and performance report Quarter 2 and 3 - 2019-2020</p> <p>To update Members on the Council's performance against corporate plan priority actions, performance indicators and targets over the quarter 2 and 3 2019/20 period in one report.</p> <p>(Lead Cabinet member: Councillor Chris Collier)</p>	All Wards	Non-Key	Cabinet	10 Feb 2020	Open	Not applicable	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Jo Harper, Head of Business Planning and Performance Tel: 01273 484049 jo.harper@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Finance update - performance quarter 2 and 3 - 2019-2020</p> <p>To provide an update on the Council's financial performance, revenue budgets and capital programme to the end of quarter 2 and 3 2019/2020 and explain the impact on the current financial position.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk ,</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>General Fund Revenue Budget 2020/21, Capital Programme</p> <p>To recommend full Council to set the 2020/21 budget and council tax at their meeting in February 2020.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	10 Feb 2020 24 Feb 2020	Open	The budget is subject to a wide and varied consultation process which will be conducted alongside the Corporate Plan (see separate listing). This will include consultation with the business and voluntary/community sectors. The Council's Scrutiny Committee will also have a formal opportunity of considering the proposals.	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Treasury Management and Prudential Indicators 2020/21, Capital Strategy & Investment Strategy</p> <p>To recommend full Council to agree treasury management policies and prudential indicators for 2020/21.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	10 Feb 2020 24 Feb 2020	Open	None, other than provided for the main budget proposals (see separate item).	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Housing Revenue Account (HRA) 30-Year Business Plan Update</p> <p>The report will present a new HRA 30-Year Business Plan covering the years from 2019-20 to 2048-49, describe the assumptions that underpin it and highlight the changes in approach, policy and aspirations when compared to previous plans.</p> <p>(Lead Cabinet member: Councillor William Meyer)</p>	All Wards	Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Chief Finance Officer (Homira Javadi), Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Helen Waring, HRA Business Plan Consultant Tel: 07522 186807 Helen.Waring@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Housing revenue account budget 2020/21</p> <p>Recommendations to full Council in February 2020 in respect of the housing revenue account for 2020/21.</p> <p>(Lead Cabinet members: Councillor Zoe Nicholson, Councillor William Meyer)</p>	All Wards	Budget and policy framework	Cabinet Full Council	10 Feb 2020 24 Feb 2020	Open	An integral part of the Budget process is a constructive dialogue with The Tenants of Lewes District Group (TOLD)	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Council tax and business rate base 2020/21</p> <p>The Council is required to set its council tax base and the expected business rate income for the forthcoming year. These calculations are used as the basis for the amount of income the Council will precept from the collection fund.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Voluntary sector support</p> <p>Report on the performance of those voluntary organisations funded by the Council and for Cabinet to agree the Council's policy on grants to voluntary organisations and the levels of grant funding for the coming year</p> <p>(Lead Cabinet member: Councillor Johnny Denis)</p>	All Wards	Key	Cabinet	10 Feb 2020	Open	The provision of grant funding is based on regular discussion with voluntary sector agencies, including surveys of local voluntary organisations carried out each year by 3VA.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Oliver Jones, Strategy and Partnership Lead Tel: 01323 415464 Oliver.Jones@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Corporate plan 2020-24</p> <p>Corporate Plan for 2020-24 which sets out the vision and key projects for the Council.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	10 Feb 2020 24 Feb 2020	Open	To be considered by Scrutiny Committee on 28 November 2019	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Millie McDevitt, Performance and Programmes Lead Tel: 01273 085637 millie.mcdevitt@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Police and Fire Station, Newhaven</p> <p>The report recommends that the Council acquire the sites of the former Police Station and Fire Station Sites in Newhaven and develop for affordable housing.</p> <p>(Lead Cabinet members: Councillor William Meyer, Councillor James MacCleary)</p>	Newhaven South	Key	Cabinet	10 Feb 2020	Part exempt Exempt information reason: 3	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Leighton Rowe, Development Project Manager Tel: 01323 415367 Leighton.rowe@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>The Werks Group - Creative Hub Lewes</p> <p>For Cabinet to note proposals for 4 Fisher Street, Lewes to be leased to The Werks Group and draft lease arrangements, and agree a capital sum to be earmarked for capital works on the building.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	Lewes Castle	Non-Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 mark.langridge-kemp@eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Community Asset Transfer</p> <p>To consider the transfer of the Dripping Pan to Lewes Football Club.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 mark.langridge-kemp@eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>'Making' the Seaford Neighbourhood Plan</p> <p>The 'making' (adoption) of the Seaford Neighbourhood Plan to continue to use it as part of the statutory development plan for Lewes District, should a successful referendum take place.</p> <p>(Lead Cabinet member: Councillor Emily O'Brien)</p>	All Wards	Budget and policy framework	Cabinet Full Council	10 Feb 2020 24 Feb 2020	Open	<p>There are statutory consultation stages on draft neighbourhood plans. The draft Seaford Neighbourhood Plan has been subject to two Regulation 14 (pre-submission) consultations.</p> <p>A referendum will be held in Feb/early Spring 2020 and the public will be notified in accordance with the relevant statutory requirements.</p>	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Thea Davis, Neighbourhood Planning Officer Tel: 01273 085773 thea.davis@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Avis Way Waste Vehicle Depot - Revised Funding</p> <p>Request for additional funding to develop previously approved Avis Way Waste Vehicle Depot</p> <p>(Lead Cabinet member: Councillor Julie Carr)</p>	All Wards	Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Director of Service Delivery (Tim Whelan), Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Colin Jordan, Project Manager colin.jordan@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Climate Change and Sustainability Strategy-progress update</p> <p>Progress report on the delivery of the Climate Change and Sustainability Strategy to date with short-term work plan</p> <p>(Lead Cabinet member: Councillor Matthew Bird)</p>	All Wards	Non-Key	Cabinet	10 Feb 2020	Open	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Kate Richardson, Strategy and Partnership Lead for Sustainability kate.richardson@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Adoption of the Lewes District Local Plan Part 2: Site Allocations & Development Management</p> <p>The Examination Inspector's Final Report on the Lewes District Local Plan Part 2 has now been received. Council approval is sought to adopt the 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.</p> <p>(Lead Cabinet member: Councillor Emily O'Brien)</p>	All Wards	Budget and policy framework	Cabinet Full Council	10 Feb 2020 24 Feb 2020	Open	None	<p>Report Background Papers: Equality Analysis, Schedule of Main Modifications (published for consultation in July 2019), Regulations 22 Consultation Statement Addendum 2019, Lewes District Local Plan Part 2: Submission Document 2018 and Sustainability Appraisal: Submission Document 2018</p>	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Robert King, Senior Planning Policy Officer Tel: 01273 085455 robert.king@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Fees and charges</p> <p>To propose a revised schedule of fees and charges to apply from 1 April 2020.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	10 Feb 2020	Part exempt Exempt information reason: 3	None	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk ,</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Seaford Health Hub</p> <p>The report will include draft proposals for the site and any associated updates to the scheme business and investment case.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	23 Mar 2020	Part exempt Exempt information reason: 3	Exhibitions took place in January 2019 to establish public views on high level proposals for the scheme	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Beverley Lucas, Regeneration Specialist – North Street Quarter Tel: 01273 085523 beverley.lucas@lewes.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Commercial Investment Strategy</p> <p>The Commercial Investment Strategy will set out the Councils approach to asset, development and business opportunities which the Council may pursue. It will also outline their priority areas for consideration of investment and the associated targets which need to be achieved.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	23 Mar 2020 13 May 2020	Open	To be confirmed	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Jessica Haines, Head of Commercial Business Tel: 07814921262 jessica.haines@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Wave Leisure Service Plan 2020/21</p> <p>To receive and approve the Wave Leisure service delivery plan for 2020/21. (Lead Cabinet member: Councillor Ruth O'Keeffe MBE)</p>	All Wards	Key	Cabinet	23 Mar 2020	Open	None	Report	<p>Director of Tourism and Enterprise (Philip Evans)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 mark.langridge-kemp@eastbourne.gov.uk</p>
<p>Denton Island Bowls Club</p> <p>For Cabinet to consider whether to financially support the a roof replacement at Denton Island Bowls Club</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	23 Mar 2020	Open	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 mark.langridge-kemp@eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Community safety partnership annual report</p> <p>Receipt of annual report to note. (Lead Cabinet member: Councillor Johnny Denis)</p>	All Wards	Non-Key	Cabinet	23 Mar 2020	Open	The LCSP Community Safety Plan was developed following consultation at meetings and workshops with relevant partners and stakeholders.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Oliver Jones, Strategy and Partnership Lead Tel: 01323 415464 Oliver.Jones@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Housing Development at 20 Fort Road</p> <p>The report includes recommendations from the Scrutiny Committee, who looked at the costs associated with developing housing at 20 Fort Road, Newhaven.</p> <p>(Lead Cabinet member: Councillor William Meyer)</p>	Newhaven North; Newhaven South	Non-Key	Cabinet	23 Mar 2020	Open	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Leighton Rowe, Development Project Manager Tel: 01323 415367 Leighton.rowe@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Access Audit</p> <p>To seek Cabinets approval of proposals relating to a Access Audit for buildings and other facilities owned by the council</p> <p>(Lead Cabinet member: Councillor Johnny Denis)</p>	All Wards	Non-Key	Cabinet	23 Mar 2020	Open	None	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Jo Harper, Head of Business Planning and Performance Tel: 01273 484049 jo.harper@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>East Sussex College Group - Partnership Working</p> <p>To provide an update on the informal joint working between the council and East Sussex College Group to date and to propose a formal partnership to support the mutual delivery of strategic objectives</p> <p>(Lead Cabinet member: Councillor Chris Collier)</p>	All Wards	Key	Cabinet	23 Mar 2020	Open	Not applicable	Report	<p>Assistant Director for Human Resources and Transformation (Becky Cooke)</p> <p>Lee Banner, Transformation Programme Manager Tel: 01323 415763 lee.banner@lewes-eastbourne.gov.uk</p>

Explanatory Note

The Council is required to publish information about all key decisions at least 28 days in advance of the decision being taken.

This plan is a list of the decisions likely to be taken over the coming four months. The list is not exhaustive as not all decisions are known that far in advance. The Plan is updated and re-published monthly.

The forward plan shows details of key decisions intended to be taken by the Cabinet and Chief Officers under their delegated powers.

The plan shows:-

- the subject of the decisions
- what wards are affected
- the decision type
- who will make the decision
- when those decisions will be made
- expected exemption class (open, part exempt or fully exempt.)
- what the consultation arrangements are
- what documents relating to those decisions will be available
- who you can contact about the decision and how to obtain copies of those documents referred to in the plan

What is a key decision?

"Key decisions" relate to a decision, which is likely:-

(1) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or

(2) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area.

What is budget and policy framework?

When a decision is marked as "budget and policy framework", it requires the approval of Full Council.

Confidential and exempt information

From time to time, the forward plan will indicate matters (or part thereof) which may need to be considered in private, during which time the press and public will be excluded. This is in accordance with the provisions of Regulation 5(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Any representations that such matters should not be considered in private should be sent to the contact officer.

Information given to the Council by a Government Department on terms which forbid its disclosure to the public, information which cannot be publicly disclosed by a Court Order and information, the disclosure of which is prohibited by an enactment are all legally defined as “Confidential Information” and must not be disclosed. All other local authority information which it is desired should not be disclosed has to be categorised under one or more of the following “Exempt Information” reasons (as given under Schedule 12A of the Local Government Act 1972) and subject to the public interest test.

Category	Condition No.
1. Information relating to any individual.	See conditions 9 and 10 below.
2. Information which is likely to reveal the identity of an individual.	See conditions 9 and 10 below.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).	See conditions 8, 9, 10 and 12 below.
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.	See conditions 9, 10, 11 and 12 below.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	See conditions 9 and 10 below.
6. Information which reveals that the authority proposes— (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.	See conditions 9, 10 and 12 below.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.	See conditions 9 and 10 below.

Conditions
8. Information is not exempt information if it is required to be registered under: (a) the Companies Acts (as defined in section 2 of the Companies Act 2006); (b) the Friendly Societies Act 1974; (c) the Friendly Societies Act 1992; (d) the Industrial and Provident Societies Acts 1965 to 1978; (e) the Building Societies Act 1986; or (f) the Charities Act 1993.

“Financial or business affairs” includes contemplated as well as past or current activities.

9. Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

10. Information which:

(a) falls within any of paragraphs 1 to 7 above; and

(b) is not prevented from being exempt by virtue of paragraph 8 or 9 above,

is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11. “Labour relations matter” means:

(a) any of the matters specified in paragraphs (a) to (g) of section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (matters which may be the subject of a trade dispute, within the meaning of that Act); or

(b) any dispute about a matter falling within paragraph (a) above;

and for the purposes of this definition the enactments mentioned in paragraph (a) above, with the necessary modifications, shall apply in relation to office-holders under the authority as they apply in relation to employees of the authority;

“Office-holder”, in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint board on which the authority is represented or by any person who holds any such office or is an employee of the authority.

“Employee” means a person employed under a contract of service.

12. “The authority” is a reference to the council or a committee or sub-committee of the council or a joint committee of more than one council.

Further information

The plan is available for inspection, free of charge upon request from Reception at the Council Offices at Southover House, Southover Road, Lewes between 9.00am and 5.00pm on Monday to Friday; Saxon House, Meeching Road, Newhaven between 10.00am and 2.00pm on Monday to Friday; the Tourist Information Centre at 37 Church Street, Seaford between 9.00am and 4.45pm on Monday to Friday and the Information Office, Meridian Centre, Peacehaven between 9.00am and 4.00pm on Monday to Friday and 9.00am to 12.00noon on Saturday, website at <http://www.lewes-eastbourne.gov.uk/councillors-committees-and-meetings/cabinet-and-committees/>

If you have any questions about the Forward Plan please contact Simon Russell, Committee and Civic Services Manager, on (01323) 415021, or e-mail simon.russell@lewes-eastbourne.gov.uk



Lewes District Council

Scrutiny Annual Work Programme 2019/2020

Subject	Lead Officer	Date of meeting
Final report of the Scrutiny Seaford Health Hub Panel	Philp Brown (Property Lawyer) philip.brown@lewes-eastbourne.gov.uk	6 February 2020
Eastbourne & Lewes Community Safety Partnership – Annual Report (Lewes)	Oliver Jones (Strategy & Partnerships Lead) oliver.jones@lewes-eastbourne.gov.uk	
Meeting the Housing Needs of the District's Young People	Oliver Jones (Strategy and Partnership Lead) oliver.jones@lewes-eastbourne.gov.uk	
Voluntary Sector Support	Seanne Sweeney (Strategy and Corporate Projects Officer) seanne.sweeney@lewes-eastbourne.gov.uk	
Lewes District Council Corporate Plan	Millie McDevitt (Performance & Programme Lead) millie.mcdevitt@lewes-eastbourne.gov.uk	
Portfolio Progress and Performance Report 2019/20- Quarter 3	Millie McDevitt (Performance & Programme Lead) millie.mcdevitt@lewes-eastbourne.gov.uk	
Lewes District Council Draft Budget proposals 2020/21	Homira Javadi (Chief Finance Officer) Homira.Javadi@lewes-eastbourne.gov.uk	
Scrutiny Emergency Climate Change Panel Update.	Jo Harper (Head of Business Planning and Performance) jo.harper@lewes-eastbourne.gov.uk	
Forward Plan of Decisions	Simon Russell (Committee & Civic Services Manager) simon.russell@lewes-eastbourne.gov.uk	
Scrutiny Committee Work Programme	Nick Peeters (Committee Officer, Democratic Services) nick.peeters@lewes-eastbourne.gov.uk	



Lewes District Council

Scrutiny Annual Work Programme 2019/2020

Subject	Lead Officer	Date of meeting
Waste and Recycling in the District, information for residents on recyclables. Levels of fly-tipping and enforcement.	Jane Goodall (Strategy and Partnership Lead) jane.goodall@lewes-eastbourne.gov.uk	19 March 2020
Sustainable Transport and Supporting the Economy - cross-border work looking at park-and-ride, the A259 and A27	East Sussex County Council	
Forward Plan of Decisions	Simon Russell (Committee & Civic Services Manager) simon.russell@lewes-eastbourne.gov.uk	
Scrutiny Committee Work Programme	Nick Peeters (Committee Officer, Democratic Services) nick.peeters@lewes-eastbourne.gov.uk	

Other items for consideration

- Briefing on Newhaven developments
- Approach to development on small sites and sustainability
- Tourism in the District

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

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