

Cabinet

4 February 2021



Time: 2.30 pm

PLEASE NOTE: This will be a 'virtual meeting', held remotely in accordance with section 78 of the Coronavirus Act 2020 and section 13 of the related regulations.

Members of the press and public can view the meeting by clicking on the link provided on the agenda page on the Council's website or calling the number provided.

Instructions for members of the committee, officers and other participants to join the meeting have been circulated separately.

Membership:

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

Quorum: 4

Published: Wednesday, 27 January 2021

Agenda

1 Minutes of the meeting held on 10 December 2020 (Pages 5 - 16)

2 Apologies for absence

3 Declarations of interest

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

4 Urgent items

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

5 Public question time

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

6 Written question from councillors

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

7 Matters referred to the Cabinet

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

None.

8 Ward issues raised by councillors at Full Council (Pages 17 - 20)

Report of Head of Democratic Services
Lead Cabinet member: Councillor Emily O'Brien

9 Recovery and reset programme (Pages 21 - 26)

Report of Chief Executive
Lead Cabinet members: Councillors James MacCleary and Zoe Nicholson

10 Finance update - performance quarter 3 - 2020-2021 (Pages 27 - 36)

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

11 General Fund Revenue Budget 2021/22 and Capital Programme (Pages 37 - 66)

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

12 Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2021/22 and HRA Capital Programme 2020-24 (Pages 67 - 78)

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

13 Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy (Pages 79 - 138)

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

14 Annual review of fees and charges (Pages 139 - 160)

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

15 Portfolio progress and performance report quarter 3 - 2020-2021 (Pages 161 - 170)

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

16 Climate change and sustainability strategy (Pages 171 - 254)

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

17 Eastbourne and Lewes Community Safety Partnership - Annual Report (Lewes) (Pages 255 - 262)

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

18 Voluntary sector support (Pages 263 - 278)

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

19 Planning Technical Advice Notes (Pages 279 - 354)

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

Information for the public

Accessibility:

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Public participation:

Please contact Democratic Services (see end of agenda) for the relevant deadlines for registering to submit a speech on a matter which is listed on the agenda if applicable. Where speeches are normally allowed at a Committee, live public speaking has temporarily been suspended for remote meetings. However, it remains possible to submit speeches which will be read out to the committee by an Officer.

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 meeting while the matter is being considered (unless he/she has obtained a dispensation).

Councillor right of address:

A member of the Council may submit a question to ask the Chair of a committee or sub-committee 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.

Other 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.

Democratic Services

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

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Cabinet

Minutes of meeting held remotely on 10 December 2020 at 2.30 pm.

Present:

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

Officers in attendance:

Robert Cottrill (Chief Executive), Homira Javadi (Chief Finance Officer), Philip Evans (Director of Tourism & Enterprise), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Tim Whelan (Director of Service Delivery), Becky Cooke (Assistant Director for Human Resources and Transformation), Oliver Dixon (Head of Legal Services), Jo Harper (Head of Business Planning and Performance), Emma Kemp (Senior Planning Policy Officer), Beverley Lucas (Specialist Project Manager), Millie McDevitt (Performance and Programmes Lead), Mark Reynard (Senior Lawyer), Simon Russell (Head of Democratic Services) and Peter Sharp (Head of Regeneration).

Also in attendance:

Councillor Liz Boorman (Vice-Chair of Policy and Performance Advisory Committee) and Councillor Isabelle Linington (Leader of the Opposition).

Mr Tony Rowell (Member of the public)

19 Minutes of the meeting held on 12 November 2020

The minutes of the meeting held on 12 November were submitted and approved and the Chair was authorised to sign them as a correct record.

20 Apologies for absence

Apologies for absence were reported from visiting members Councillors Miller and Peterson and Ms Debbie Twitchen (Tenants Representative).

21 Declarations of interest

Councillor Collier declared a personal and prejudicial interest in agenda item 14 (Community Infrastructure Levy Recommendations for Spending) as a member of Peacehaven Town Council. He remained in the room to participate but did not vote on the item.

22 Public question time

Mr Tony Rowell submitted the following questions to Councillor Zoe Nicholson,

Cabinet member for finance and assets in relation to agenda item 17 (North Street Quarter – scheme delivery).

- 1) Would you please confirm that all sections of the Constitution Part 4 ‘Contract Procedure Rules’ Section 18, Disposal of Interests in Land, have been complied with as regards the potential disposal of land to Human Nature?**

Response:

Councillor Nicholson confirmed that the Council had and would be complying with all parts of section 18 in the Contract Procedure Rules, with regards to this disposal process. Section 18 required the Council to advertise land for sale and complete a number of critical actions.

- 2) Please confirm that Finance Procedure Rules paragraphs 2.1.22 and 3.1.10 have been complied with?**

Response:

Councillor Nicholson confirmed that paragraphs 2.1.22 and 3.1.10 of the Financial Procedure Rules had been complied with as part of this process.

Supplementary Question and response:

In accordance with the Council’s Cabinet Procedure Rules, Mr Rowell asked the following supplementary question:

“Given the answer to the second written question was yes, as the decision to dispose of North Street will result in income of over £500,000 and in accordance with 3.1.10 which states that prior approval for a new proposal of this size must be made at Full Council and to comply with Budget and Policy procedure rules, at which meeting of the Council was this decision made?”

Councillor Nicholson confirmed that a written response would be given to Mr Rowell, following the meeting.

- 3) Agenda item 17 paragraph 2.4 states ‘North Street Quarter Ltd’s (NSQL) agreement to sell its land to Human Nature is, therefore, dependent on this third-party agreeing sale and purchase terms with the Council. At the same time, the Council’s deal with Human Nature is dependent on this purchaser reaching an agreement with NSQL’.**

Is the purchase of the land from NSQL by Human Nature dependent on the Council selling their piece of land to Human Nature?

Response:

Councillor Nicholson responded that part development of the site was not an option, in accordance with Planning Policy set by the South Downs National Park Authority. Therefore, if the Council did not sell their piece of land to Human Nature, the development could not be delivered.

Supplementary Question and response:

In accordance with the Council's Cabinet Procedure Rules, Mr Rowell asked the following supplementary question:

“What is preventing Human Nature and Lewes District Council from developing the site together?”

Councillor Nicholson responded that the Council was effectively developing the site with Human Nature, given the Heads of Terms agreement for the sale, state a number of mandatory points as part of the development. For example, sale of the land was dependent of Human Nature obtaining planning permission and also the inclusion of a Health Hub as part of the planning application. The current situation presented the Council with a landowner that was about to own the majority of the site and had the confidence, despite the current challenging context, to deliver the scheme as a developer itself.

Ms Debbie Twitchen submitted the following questions to Councillor Zoe Nicholson, Cabinet member for finance and assets. As Ms Twitchen had sent her apologies, her questions were read out by the Head of Democratic Services.

- 1) Agenda item 17 paragraph 2.2 states ‘Human Nature will not be recruited to act as the developer for LDC because it will not be entering into a Land Collaboration Agreement (LCA) in the place of NSQL’.**

Why will Human Nature not be entering into a LCA with the Council?

Response:

Councillor Nicholson responded that there was no requirement for a LCA, as Human Nature was the developer itself.

- 2) Agenda item 17 paragraph 1.4 states ‘On 2nd April 2020, the Leader of the Council gave delegated authority for the Council to enter into an Exclusivity (Lockout) Agreement with NSQL’s preferred**

developer'

Was Human Nature the preferred developer at 2 April 2020?

Response:

Councillor Nicholson responded that as of 2 April 2020, NSQL had not confirmed its preferred developer. It was expected that following the Cabinet Leader's Decision, NSQL would shortly inform the Council; however, this occurred during the start of the Covid-19 pandemic. Since that point, NSQL had confirmed that it would not be appointing a preferred developer and instead would be entering into a Sale Agreement with Human Nature.

3) Under the heads of terms with Human Nature, how many homes will be built for letting at social rents?

Response:

Councillor Nicholson responded that this was subject to the South Downs National Park Authority (SDNPA) Planning Policy as SDNPA was the planning authority. The planning authority set out expectations for the number of affordable homes on any development. As had been reported in the press, Human Nature intended to submit a new planning application which was good news as this must adhere to the SDNPA Local Plan, which now required any developer to make 50% of homes built on the site affordable. The planning application must also have regard to the Lewes Neighbourhood Plan, which had been adopted since the last application was submitted in 2016. The Council expected to be working closely with the SDNPA and Human Nature to ensure the most appropriate balance of affordable homes on the site.

23 Community wealth building

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, providing them with the results of a diagnostic investigation undertaken into community wealth building (CWB) and to seek their endorsement of the resultant Reimagining Lewes District Action Plan.

Lewes District Council made a commitment to CWB in its Corporate Plan adopted in February 2020 and commissioned the Centre for Local Economic Strategies (CLES) to undertake a study over the summer involving in-depth interviews with council staff and partners.

CWB uses the combined power of organisations, businesses and communities to keep as much wealth as possible in the local economy through the creation of new jobs and new locally owned enterprise.

Thanks, were conveyed to Ian Fitzpatrick, Deputy Chief Executive/Director of Regeneration and Planning, Jo Harper, Head of Business Planning and Performance, Councillor Nicholson and CLES for their work in producing the

report and Action Plan.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020, considered the report and were supportive of the recommendations in full. Vice Chair, Councillor Liz Boorman was in attendance to present PPAC's discussion.

Councillor Collier addressed the Cabinet and requested a 6-month progress report on the Action Plan. This was unanimously agreed by fellow Cabinet members and detailed below.

Resolved (Key decision):

- (1) To note the progress made in relation to community wealth building
- (2) To note the findings of the diagnostic study undertaken by the Centre for Local Economic Strategies set out at Appendix 1 to the report, and
- (3) To agree the Reimagining Lewes District Action Plan set out at Appendix 2 to the report, and to request a 6-month progress report.

Reason for decisions:

The Council is committed to developing a Community Wealth Building approach as part of the Corporate Plan adopted in February 2020.

24 Support for local people in financial distress

The Cabinet considered the report of the Director of Service Delivery, advising members of the options available to increase financial support to people in financial distress and deliver an increase in the Council tax reduction scheme.

The request had originated from a meeting of the Policy and Performance Advisory Committee, held on 3 November 2020.

Thanks, were conveyed to Tim Whelan, Director of Service Delivery and his team's work in setting out various options to the Cabinet.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020, considered the report and were supportive of the recommendations in full. Vice Chair, Councillor Liz Boorman, was in attendance to present PPAC's discussion.

Resolved (Key decision):

- (1) That Cabinet adopt option (c), set out at paragraph 5.2 of this report.
- (2) That Cabinet agrees to continue to support the Minimum Income Floor pilot for the self-employed.

Reason for decision:

The recommended option provides significant support from funds currently available to the Council.

25 Finance update - performance quarter 2 - 2020-2021

The Cabinet considered the report of the Chief Finance Officer, updating members on the Council's financial performance for quarter 2 of 2020/21.

The position at the end of September showed a negative variance of £1.126m on net expenditure, which is an increase of £429k on the previous quarter. The impact of the pandemic and associated lockdown continued to have a significant impact on the Council's financial position, in particular on income which was down some £646k at the end of September.

The £1.126m current shortfall was expected to increase as the impact of the second lockdown took effect with further reductions in income and continued increased cost pressures, in particular relating to homelessness and temporary accommodation.

In response to a question from Councillor Collier, Councillor Nicholson commented that the impact of the government's Income Compensation Scheme in this financial year would likely be half of what the overall loss would be.

Visiting member and Vice-Chair of PPAC, Councillor Liz Boorman, addressed the Cabinet and commented that whilst the current financial situation wasn't positive, the deficit (over 6 months) was an improvement over the £10 million previously forecast for the whole year.

Resolved (Non-key decision):

(1) To note the General Fund, HRA and Collection Fund financial performance for the quarter ended September 2020.

(2) To agree the amended capital programme as set out at appendix 2 to the report.

Reason for decisions:

To enable Cabinet members to consider specific aspects of the Council's financial performance.

26 General fund revenue budget update

The Cabinet considered the report of the Chief Finance Officer, providing an update on the 2020/21 revenue budget and 2021/22 draft revenue budget.

The Cabinet budget update in September forecast a deficit of £4 million in the current financial year, with future deficits of between £2.8 million to £1.5 million (2021/22 to 2024/25), reflecting the impact of the pandemic in terms of lost income from fees and charges, delayed savings, additional direct costs and the financial support so far received from the government.

The latest position showed an improvement of £1.3 million in 20/21, due to reduction in costs and delivery of further savings.

The Council was awaiting further details from the Chancellor of the Exchequer's spending review on November 25th 2020 on whether it would help address the deficit faced by the council.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020, considered the report and were supportive of the recommendations in full. Vice Chair, Councillor Liz Boorman was in attendance to present PPAC's discussion.

Resolved (Non-key decision):

To note the latest budget positions as set out in the report.

Reason for decisions:

To progress the budget setting process and update Cabinet on the background to this.

27 Council tax base and non-domestic rate income for 2021/22

The Cabinet considered the report of the Chief Finance Officer, seeking their approval for the Council Tax Base and net yield from Business Rate Income for 2021/22 in accordance with the Local Government Finance Act 1992.

Resolved (Key decision):

(1) To agree the provisional Council Tax Base of 36,711.4 for 2021/22 for the whole area and that the Council Tax Base for each of the Town and Parish areas of the District shall be as set out in Appendix 2 of this report

(2) To agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance and Assets, determine the final amounts for the Council Tax Base for 2021/22.

(3) Agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance and Assets, determine net yield from Business Rate income for 2021/22.

Reason for decisions:

Cabinet is required to approve the Tax Base which will be used for the purposes of calculating the 2021/22 Council Tax.

(NB: The Chair agreed to adjourn the meeting for 5 minutes, following the completion of this item to allow members and attendees a short comfort break).

28 Portfolio progress and performance report quarter 2 - 2020-2021

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, considering the Council's progress and performance in respect of key projects and targets for the second quarter of the year (July – September 2020), as detailed at Appendix 1 to the report.

Where performance or projects were 'off track/below target', key commentary was provided in the appendix and also by Cabinet members at the meeting.

Cabinet commended staff for their exemplary performance during this quarter, in particular the percentage of calls to the contact centre answered within 60 seconds, planning performance and low number of average days lost per full term employment due to sickness.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020, considered the report and were supportive of the recommendations in full.

Resolved (Non-key decision):

To note progress and performance for quarter 2.

Reason for decision:

To enable Cabinet members to consider specific aspects of the Council's progress and performance.

29 Community Infrastructure Levy Recommendations for Spending

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

The Community Infrastructure Levy, known as CIL, is a charge that local authorities could make on developments to raise funds for infrastructure projects, as a result of local development and growth. The CIL was payable upon commencement of a development and since 2015 the council had collected over £7.4 million.

Projects endorsed by the councillors include CIL contributions of £30,000 for upgrades to bridleways and footpaths into the popular Centenary Park in Peacehaven, over £290K for essential improvements to Barcombe and Seaford Fire Stations and £17,000 for an all-weather path around Beechwood Rural Park in Hamsey to provide better access for wheelchair and pushchair users.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020 considered the report and were supportive of the recommendations in full. Vice Chair, Councillor Liz Boorman, was in attendance to present PPAC's discussion.

Councillor O'Brien thanked Emma Kemp, Senior Planning Policy Officer for her work in ensuring a rigorous application process and welcomed any feedback from members on the process. CIL would be reviewed next year, particularly around strategic spending.

(NB: Councillor Collier declared a personal and prejudicial interest in this item as a member of Peacehaven Town Council. He remained in the room but did not vote on the item.)

Resolved (Key decision):

To agree the release of funds from the CIL governance pots as recommended by the CIL Executive Board.

Reason for decision:

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

30 Newhaven - Towns Fund

The Cabinet considered the report of Deputy Chief Executive and Director of Regeneration and Planning, providing an update on progress with the submission to the Towns Fund for Newhaven.

Councillor MacCleary clarified that unfortunately road spending, particularly work on the Ring Road, did not fit into the criteria for spending of this Fund, set by the government.

The Council would likely hear whether the bid was successful early in the New Year. In addition to this, the Council was also awaiting to hear whether its bid, submitted by the previous administration to the Future High Street's Fund for Newhaven was successful.

Visiting member, Councillor Boorman, addressed the Cabinet in support of the report.

Resolved (Non-key decision):

(1) To note the bid being prepared for submission to the Towns Fund and the decision-making of the Newhaven Town Deal Board.

(2) To authorise the Director of Regeneration and Planning to submit the Towns Fund bid by 29 January 2021 in line with Government requirements.

Reason for decision:

The Towns Fund is a £3.6billion Government funding pot. Newhaven has been shortlisted to submit a bid of up to £25m of capital funding that will contribute to economic recovery and growth.

31 Memorandum of Understanding between Environment Agency and Lewes District Council relating to coastal risk management at Telscombe Cliffs

The Cabinet considered the report of the Director of Service Delivery, requesting the Chief Executive to enter into a Memorandum of Understanding (MoU) with the Environment Agency.

Recognising the complexities and technical difficulties posed at Telscombe Cliffs, the MoU would help better understand what viable options exist for managing the risks posed by cliff erosion at Telscombe Cliffs. Subject to Cabinet's approval, the Environment Agency would take a lead role on the project.

The Cabinet expressed thanks to Tim Bartlett, Specialist Adviser for Flood and Coastal Risk Management, and Tim Whelan, Director of Service Delivery, for their work in brokering this MoU.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020, considered the report and were supportive of the recommendations in full. Vice Chair, Councillor Liz Boorman, was in attendance to present PPAC's discussion.

Resolved (Key decision):

(1) To authorise the Chief Executive to agree to enter into a Memorandum of Understanding.

(2) To authorise the Council to work in partnership with the Environment Agency to explore the options viable to manage the risks posed by the undefended cliffs at The Esplanade, Telscombe Cliffs.

Reason for decisions:

By entering into the Memorandum of Understanding with the Environment Agency, their larger technical capability and resources can be utilised to seek an appropriate solution to managing the risks posed by an eroding coast at this

location.

32 North Street Quarter - scheme delivery

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, providing an update on progress with securing a developer for the North Street Quarter scheme. The report sought Cabinet approval of the Heads of Terms (HoTs) of a legal agreement with a prospective third-party purchaser – Human Nature. It also sought delegated authority for the Council to enter into a legal agreement, based on these HoTs, with this party.

A new scheme would bring greater benefits because the South Downs National Park's Local Plan included tougher requirements on sustainability, flood defences and affordable homes.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2020, considered the report and were supportive of the recommendations in full. Vice Chair, Councillor Liz Boorman, was in attendance to present PPAC's discussion.

Following the general discussion amongst Cabinet members, Cabinet resolved to exclude the public whilst discussing the exempt appendix, containing the HoTs that accompanied the report as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972, paragraph 3 – Information relating to the financial and business affairs of any particular person (including the authority holding that information) and paragraph 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Following discussion of the exempt appendix, the public meeting resumed, and Cabinet made the following resolution:

Resolved (Key decision):

(1) To agree the HoTs of the proposed sale and purchase agreement for the Council's part of the NSQ site, as set out in the exempt Appendix 1 to the report.

(2) To delegate authority to the Director of Regeneration and Planning, in consultation with the Leader of the Council and Head of Legal Services, to complete negotiations with Human Nature and enter into a sale and purchase agreement with this party, and all ancillary documents, based on the agreed HoTs set out in the exempt Appendix 1 to the report.

Reason for decisions:

To progress redevelopment of the strategically significant North Street Quarter (NSQ) site in Lewes.

The meeting ended at 4.45 pm

Councillor James MacCleary (Chair)

Report to:	Cabinet
Date:	4 February 2021
Title:	Ward issues raised by councillors at Full Council
Report of:	Simon Russell, Head of Democratic Services
Cabinet member:	Councillor Emily O'Brien, Cabinet member for planning and infrastructure
Ward(s):	Seaford Central
Purpose of report:	To respond to ward issue raised by Councillor Gauntlett at meeting of the Full Council on 23 November 2020
Decision type:	Non-key
Officer recommendation(s):	To note and agree the officer action detailed in the report.
Reasons for recommendations:	To ensure that appropriate follow up action is taken.
Contact Officer(s):	Name: Simon Russell Post title: Head of Democratic Services E-mail: simon.russell@lewes-eastbourne.gov.uk Telephone number: (01323) 415021

1 Introduction

1.1 The following ward issue was raised by Councillor Stephen Gauntlett at the meeting of the Full Council on 23 November 2020.

1.2 Talland Parade, High Street, Seaford (Planning Application LW/11/1321 etc)

This development involves partial demolition of existing shops and apartments and building new accommodation at first floor level above a parade of shops.

Scaffolding approximately 4 stories above street level was erected over 5 years ago to facilitate the work. This scaffolding remains in place and dominates the views down the main shopping street and from around the town. The site itself also encroaches onto the pavement on the High Street and the row of shops is boarded up.

Work on site over that time has at best been spasmodic with unexplained long delays and has now ceased yet again!

Despite the very best efforts and diligence of LDC Planning Enforcement together with support from the legal department, the unsightly scaffolding and boarding remains in place together with piles of internal rubble after all these years have passed.

The patience of Seaford residents has long since been exhausted. The site is an eyesore and has a most negative effect on the quality of the town "space" and the experience of shoppers, retailers and residents.

Suggested action by the Council:

In the absence of any positive commitment from the developer to complete the work and restore the roofline views will Lewes District Council:

- 1. Write to the developer in the strongest possible terms expressing the anger and frustration of Seaford residents.**
- 2. Note that LDC Officers are engaging with the developer to understand the current stage they are at with the building works and the likely end date, including when the scaffolding will be taken down.**
- 3. Note that Officers can only work within current legislation and any information supplied by the developer in relation to these points cannot be binding and prosecution for nonadherence is not possible.**
- 4. In the light of this, will Lewes District Council write to the Secretary of State for Housing, Communities and Local Government requesting urgent attention to this area of the Law to enable Planning Enforcement Officers to require developers to carry out work within agreed timescales on behalf of local communities.**

2 Update by Chief Officer (Director of Regeneration and Planning)

- 2.1 Officers have corresponded with the developer outlining the desire for redevelopment/conversion works to be completed as soon as is practicable to do so and more importantly that the scaffolding be taken down at the earliest opportunity. In addition, officers have requested an update from the developer following the Christmas break, a response is expected although not yet received.

A response has been sent to the Secretary of State requesting changes to the current legislation that could enable Councils to take more appropriate action.

3 Financial appraisal

- 3.1 None arising from the report.

4 Legal implications

- 4.1 None arising from the report.

5 Risk management implications

5.1 No requirement to undertake a risk assessment.

6 Equality analysis

6.1 No requirement to undertake an equality analysis.

7 Environmental sustainability implications

7.1 None arising from the report.

8 Appendices

- None

9 Background papers

- None

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Report to:	Cabinet
Date:	4 February 2021
Title:	Recovery and Reset
Report of:	Robert Cottrill, Chief Executive
Cabinet member:	Councillor James MacCleary, Leader of the Council, Chair of Cabinet and Cabinet member for regeneration and prosperity Councillor Zoe Nicholson, Deputy leader of the Council and Cabinet member for finance and assets
Ward(s):	All
Purpose of report:	To update on progress of the Recovery and Reset Programme.
Decision type:	Non key
Officer recommendation(s):	To note the progress made with the Recovery and Reset Programme.
Reasons for recommendations:	The Recovery and Reset Programme provides a structured and accountable approach for delivering the level of significant organisational change needed to respond to current and future challenges.
Contact Officer(s):	Name: Jo Harper Post title: Head of Business Planning and Performance E-mail: jo.harper@lewes-eastbourne.gov.uk Telephone number: 01273 085049

1 Introduction

- 1.1 Cabinet will recall that the purpose of the Recovery and Reset Programme (R&R) is to tackle the financial, organisational and district-wide challenges we are facing. These challenges result from the Covid-19 pandemic, the resultant economic climate and the changing needs and demands of our residents, all of which need to be addressed in a sustainable way. The council faces a significant budget shortfall over the next four years (Medium Term Financial Strategy [MTFS] period). R&R will deliver significant changes in the way the council operates which are needed to meet these challenges and to oversee the council's response to the Covid pandemic, helping to support a district-wide recovery.

- 1.2 As previously reported, R&R has four pillars; best use of digital, reshaping delivery, best use of assets, and restart. The progress that has been made in each of these areas is set out in the next section of the report.
- 1.3 The updated MTFS currently includes £583k per annum for savings identified to date, which leaves £617k to be achieved in terms of the targets set out below. Each pillar will contribute to the achievement of these savings targets, except for the restart pillar, whose aims are more focused on recovery. The R&R targets are:

	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000
Digital	150	150	150	150
Reshaping	820	820	820	820
Assets	230	230	230	230
TOTAL	1,200	1,200	1,200	1,200

2 Best use of Digital

- 2.1 This pillar has been focused on the urgent changes that need to be made to enable staff to work as effectively as possible during the pandemic restrictions. One significant improvement that will be implemented is a system for staff working at home to take payments from customers in a secure and compliant way.
- 2.2 Using delegated authority agreed by Cabinet at its meeting in September 2020, the Chief Executive (in consultation with the Leader and Deputy Leader) authorised expenditure of £62,500 (split between LDC and EBC) from the R&R capital allocation. These funds have been used to set up new system for taking customers' payments over the phone securely. This was needed for customer advisors working from home, to ensure security was not compromised. As well as enabling payments to be taken securely, the new system has the benefits of;
- Enabling recurring payments to be set up (making it less likely for customers to miss future payments)
 - Storing bank details so that future calls can be quicker (80% shorter) and easier for customers
 - Enabling customers to schedule a payment for a future date convenient for them (eg after payday)
- 2.3 The pillar will also be leading on the development of the Digital Strategy for the council. The strategy will set out the digital ambitions over the coming years as a result of the new context within which the council is now operating and a roadmap for delivering upon these aspirations. This exercise will articulate how the council intends to exploit current and new technologies over the medium-term to deliver corporate priorities, especially in relation to sustainability.

3 Reshaping delivery

- 3.1 The priority focus for this pillar over recent months has been the planning and preparation for the consultation with staff on the reshaping of the Service Delivery department. This exercise will focus on the delivery of the corporate priorities while meeting the savings requirements. The consultation launched in January 2021 and the new shape of the department will come into effect over the coming months.
- 3.2 The next focus for the pillar is to set out a programme of further reshaping exercises. Further detail will be shared with Cabinet in future updates.

4 Best use of Assets

- 4.1 Central to the work of this part of R&R is consideration of how the council's physical assets are used. Given the current and continuing pressures on the council's revenue budgets, the council has the option of disposing of certain assets to gain capital receipts. These could then be used strategically to further the council's corporate objectives. In particular, capital receipts could help to fund the council's ambitious plans to deliver more affordable housing.
- 4.2 One of the key components of the council's community wealth building plans is to ensure that council land and assets are 'socially productive' where possible. In essence this means that the assets in some way generate wealth or other benefits for local people. There are various ways to achieve this, such as enabling communities to have direct management of assets, for example through transferring land to Community Land Trusts. To this end, officers are considering all council owned land and buildings over time to determine where there may be opportunities for transfers or disposals that would enable community use and/or ownership, or deliver other community benefit, such as through increasing supply of affordable housing.
- 4.3 One particular asset under current early consideration is Southover House, the council's main office building. At its meeting on 22 December, the Strategic Property Board recognised that in 2020 there had been understandably low usage rates of Southover House, but that it was too early to conclude that this was a longer term trend. The Strategic Property Board agreed that further careful consideration and exploration of what the future of Southover House could be was needed, and that this would take time. Officers have been asked to undertake more detailed studies into potential alternatives both for office accommodation generally and the use of Southover House.
- 4.4 Other assets, where socially productive options could be considered, will form the subject of future reports. In particular, the 'meanwhile use' of buildings is being thoroughly investigated.

5 Restart

- 5.1 The restart pillar continues to focus on ensuring the council is playing its part in supporting local communities through the pandemic, whilst also planning for an

approach to recovery underpinned by community wealth building and sustainability principles.

- 5.2 Community support has continued through the council's Community Hub helpline, which has seen an increase in calls since the lockdown started in January 2021. The line continues to offer advice, guidance and signposting to the vulnerable and isolated. Priority supermarket delivery slots can also still be provided to those in need.
- 5.3 The community wealth building approach being taken to recovery was reported in full to the Cabinet at its meeting in December. Following that meeting an officer working group has been established to take forward the Re-imagining Lewes District Action Plan. Progress against this action plan will be reported to Cabinet on a 6 monthly basis.
- 5.4 At the time of writing, a third Recovery Summit is being planned for 1 February 2021. Verbal feedback from that event will be provided at the Cabinet meeting.

6 Recovery and Reset Member Board

- 6.1 As the Recovery and Reset work is being undertaken in conjunction with Eastbourne Borough Council, a joint Member Board has been established to oversee aspects of the work which affect both councils. This Board met for the first time on 4 December 2020 and then subsequently on 29 January 2021. Detailed updates are being provided on the progress of each of the pillars, where they have a bearing on both authorities.

7 Corporate plan and council policies

- 7.1 R&R has been developed being mindful of the priorities set out in the council's Corporate Plan for 2020-2024. Although it is set out within R&R's purpose to have a 'continued focus on the Corporate Plan priorities', Cabinet should note that the level of financial pressure on the council may mean that a further review of Corporate Plan priorities may be required, to ensure that the level of ambition articulated remains realistic.

8 Financial appraisal

- 8.1 As set out in section 1.3 of the report, transformational savings of £583k have been built into the budget, leaving a balance of £617k still to be achieved from the R&R Programme

9 Legal implications

- 9.1 There are no legal implications arising directly from this report but as and when specific proposals under R&R come forward, Legal Services will advise on the legal aspects. These are likely to centre on procurement and capital disposal issues. Any developments in, for example, public procurement and state subsidy rules stemming from the UK-EU Trade and Co-operation Agreement, will be taken into account.

10 Risk management implications

10.1 The risks within R&R will be regularly assessed and managed as part of the R&R and project management activities. The identification and management of any significant risks in relation to the programme will be reported to CMT and the Joint Member Board, along with mitigation plans to address them. At this point there are no high level risks to report.

11 Equality analysis

11.1 An equality analysis is being undertaken for each pillar and the outcomes, including any action plans required, will be reported to, and monitored by, CMT.

12 Environmental sustainability implications

12.1 A number of the projects within R&R have sustainability implications. These implications will be considered as the detailed project plans are established for each project, being mindful of the council's stated objective, as set out in the Corporate Plan, of achieving net carbon zero by 2030.

13 Appendices

None

14 Background papers

None

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Body:	Cabinet
Date:	4 February 2021
Subject:	Finance update – Performance Quarter 3 2020/21
Report of:	Homira Javadi, Chief Finance Officer
Cabinet member:	Councillor Zoe Nicholson, Deputy Leader and Cabinet Member Holder for Finance and Assets
Ward(s):	All
Purpose of the report:	To update members on the Council’s financial performance in Quarter 3 2020/21
Decision type:	Non Key
Recommendation:	Cabinet is recommended to <ol style="list-style-type: none">1. Note the General Fund, HRA and Collection Fund financial performance for the quarter ended December 2020.2. Agree the amended capital programme as set out in Appendix 2.
Reasons for recommendations:	To enable Cabinet members to consider specific aspects of the Council’s financial performance.
Contact:	Homira Javadi, Chief Finance Officer Tel: 01323 415512 or email Homira.Javadi@lewes-eastbourne.gov.uk

1.0 Introduction

- 1.1** It is essential to ensure that the Council has a sound financial base from which to respond to changing activity levels and demand for statutory services and to ensure that, when appropriate, its finances are adjusted in response to reducing income levels and inflationary pressures on expenditure.
- 1.2** A report on the financial performance following the end of each quarter is made to Cabinet to ensure that the financial health of the General Fund, Housing Revenue Account and Capital Programme activities are kept under continual review.
- 1.3** The quarter 3 monitoring is still in respect of the original budget. The budget report, elsewhere on this agenda, provides a revised forecast for this year and the

actions required to maintain a balanced budget position through the use of reserves and contingencies.

2.0 General Fund

2.1 General Fund performance of the quarter is shown in the table below:

Department	Full Year Current Budget	Profiled Budget	Actual to 31st Dec	Variance to date	Q2 Variance as at 30 th Sept
	£'000	£'000	£'000	£'000	£'000
SUMMARY					
Corporate Services	5,643	4,153	4,063	(90)	311
Service Delivery	9,048	6,292	7,027	735	668
Regeneration & Planning	764	1,078	1,886	808	355
Tourism & Enterprise Services	434	321	396	75	93
Recharges to the HRA	(4,035)	(3,026)	(3,026)	-	-
Additional Covid-19 costs	-	-	1,265	1,265	1,122
Total Service Expenditure	11,854	8,818	11,611	2,793	2,549
Corporate Efficiency Savings	(720)	-	-	-	-
Capital Financing and Interest	1,050	(23)	(7)	16	-
Contributions to Reserves	2,092	197	197	-	-
Net Expenditure	14,276	8,992	9,992	2,809	2,549
				Covid-19 Grant	(1,449)
				Income Recovery Grant	(199)
					816
					1,126

2.2 The position at the end of December shows a negative variance of £2.8m on net expenditure, before additional Government grants of £1.993m, which bring the overall position down to £816k. This is an improvement of £310k on the previous quarter. Key variances as at 31st December included:

Key Variance	£'000
Car Parking – net shortfall (mainly income related)	389
Corporate Landlord – net shortfall (mainly income related)	383
Facilities Management – operational savings	(135)
Planning – income shortfall plus extra consultancy spend	34
Regeneration – reduced rental income (Newhaven Centre)	131
Building Control – reduced income	60
Health & Safety – cost of investigation	31
Housing Benefits Payments & Subsidy – Mainly shortfall in subsidy on emergency accommodation	415
Revenues – reduced summons income	151
Waste & Recycling – net overall savings	(14)
Homelessness (incl B&B) – net increased cost	41
Leisure Centres – income shortfall & additional building costs	85
Additional Covid-19 costs	1,264

- 2.3 The impact of the pandemic and associated lockdown continues to have a significant impact on the Council's financial position, in particular on income which is down some £1.2m at the end of December. However, the second income recovery claim was submitted in December bringing the total amount reclaimed to £544k. It should be noted that income losses in respect of rental income and summons income are not eligible for recovery. The scheme was due to end in March but has now been extended to the end of June 2021.
- 2.4 The current deficit is after allowing for the Government's £1.449m emergency Covid-19 grant which is being used to cover the cost of food packages, additional staffing costs in Revenues, additional ICT costs and increased homelessness and housing benefit costs. A fifth additional tranche of funding (£494k) has also been confirmed for next year.
- 2.5 **Reserves** - The amount held in the General Fund Uncommitted Reserve, which acts as a buffer against negative movements in the budget, is projected to be £2.6m at 31 March 2021. This is after allowing for the transfer to the Covid-19 Reserve. The budget report, elsewhere on this agenda, provides an update on the use of reserves for 2020/21.
- 2.6 The table below shows the approved movements in each Reserve in 2020/21 and the balance at the end of the year.

Reserves Summary	Balance as at 01-April-20* £000's	Transfers into Reserves £000's	Transfers out of Reserves £000's	Balance as at 31-Mar-21 £000's
Asset Maintenance	(2,200)	-	300	(1,900)
Economic Regeneration	(1,666)	(304)	-	(1,970)
Managing In-Year Economic Downturn	(296)	-	296	0
Revenue Grants & Contributions	(503)	-	-	(503)
Strategic Change	(1,265)	-	300	(965)
Vehicle & Equipment Replacement	(751)	-	-	(751)
Elections Reserve	0	(30)	-	(30)
Business Rates Equalisation Reserve	0	(1,067)	104	(963)
Covid-19	0	(1,800)	-	(1,800)
Total Earmarked Reserves	(6,681)	(3,201)	1,000	(8,882)
General Fund Reserve	(3,425)	-	800	(2,625)
Total Reserves	(10,106)	(3,201)	1,800	(11,507)

* Note that the opening balances are still subject to the completion of the 2019/20 audit of accounts.

3.0 Housing Revenue Account

3.1 HRA performance for the quarter is as follows:

Housing Revenue Account Summary	Current Budget	Profiled Budget	Actual to 30th Dec	Variance to date
	£'000	£'000	£'000	£'000
Income	(16,511)	(12,383)	(12,358)	25
Expenditure	14,290	8,243	8,014	(229)
Capital Financing & Interest	1,886	1,886	1,886	-
Total HRA	(335)	(2,254)	(2,458)	(204)
			Quarter 2 Variance	(131)
			Increase	(73)

A further breakdown is shown at **Appendix 1**.

3.2 The position at the end of December shows a favourable variance of £204k, which is an increase of £73k on the previous quarter. The main area of underspend relates to repairs and maintenance (£179k) which has been delayed due to Covid-19.

4.0 Capital Expenditure

4.1 The detailed capital programme at **Appendix 2**, provides a summary of spend for quarter 3 compared to the allocation for 2020/21.

4.2 The Capital Programme for 2020/21 totals £49.778m compared to the original Capital Programme approved by Council 24 February 2020 of £44.575m. The changes to the Capital Programme are shown in the table below.

Capital Programme Summary	2020/21
	£'000
Original Approved Budget	44,575
Brought forward 2019/20 schemes	4,752
Re-profiled 2019/20 schemes	16,068
Approved Variations	474
Current Programme	65,869

4.3 Spend at the end of December totalled £9.366m against a revised budget of £65.869m.

5.0 Collection Fund

5.1 The Collection Fund records all the income from Council Tax and Non-Domestic Rates and its allocation to precepting authorities.

5.2 The Collection fund for the year is as follows:

	Council Tax £'000	Business Rates £'000
Surpluses Brought Forward 01 April 2020	(938)	(1,455)
Total Collectable Income for year*	(79,297)	(16,104)
Payments to Preceptors	78,260	24,729
Write offs, provisions for bad debts and appeals	1,734	1,619
Additional Council Tax Hardship funding	(555)	-
Additional Business Rate Reliefs – as a result of Covid-19	-	(9,839)
Estimated Balance 31 March 2021 – (Surplus) / Deficit	(796)	(1,050)
Allocated to:		
Government	-	(200)
East Sussex County Council	(563)	(316)
Lewes District Council	(122)	(472)
Sussex Police	(75)	-
East Sussex Fire & Rescue	(36)	(62)
	(796)	(1,050)

* This represents the latest total amount of income due for the year and allows for changes as a result of discounts, exemptions and reliefs, as well as increases in the Council Tax and Business Rate bases.

- 5.3 The allocation to preceptors reflects the operation of the Collection Fund for Council Tax and Business Rates which are distributed on different bases under regulations. The distributions for the estimated balance calculated at quarter 3 will be made in 2021/22.
- 5.4 Council Tax is showing a surplus of £796k for the quarter (Qtr2 £263k). However, this represents an in-year deficit of £142k as there was a surplus of £938k brought forward from the previous year. The Council's share of the overall forecast surplus is £122k which is now the declared surplus to be included in the 2021/22 budget.
- 5.5 There is a Business Rates surplus of £1.050m at the end of December (Q2 deficit £826k). The improved position has arisen from an increase in the reliefs being awarded, which have now increased by £1.8m. However, this still represents an in-year deficit of £405k as there was a surplus of £1.455m brought forward from the previous year. The latest surplus would be split between the relevant preceptors with Lewes's share equating to £330k. This is now the formal declared surplus to be included in the 2021/22 budget.

6.0 Financial implications

As set out in the report.

7.0 Legal implications

None associated with the report.

8.0 Risk management implications

Continued monitoring of the Council's financial position is essential to ensure it remains within budget and can take necessary action if and when required.

9.0 Equality analysis

This Finance update is a routine report for which detailed Equality Analysis is not required to be undertaken. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

10.0 Environmental sustainability implications

None associated with the report.

Appendices

- Appendix 1 – Housing Revenue Account
- Appendix 2 – Capital Programme

Background papers

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

- Budget monitoring 20/21 working papers.

Appendix 1

Housing Revenue Account 2020/21

	Original Budget £000's	Q3 Profiled Budget £000's	Q3 Actual £000's	Variance £000's
INCOME				
Dwelling Rents	(14,669)	(11,002)	(10,977)	25
Non-Dwelling Rents	(456)	(342)	(342)	0
Charges for Services and Facilities	(1,203)	(902)	(902)	0
Contributions towards Expenditure	(183)	(137)	(137)	0
GROSS INCOME	(16,511)	(12,383)	(12,358)	25
EXPENDITURE				
Repairs and Maintenance	4,546	2,643	2,464	(179)
Supervision and Management	2,281	300	273	(27)
Special Services	1,376	771	682	(89)
Rents, Rates, Taxes and Other Charges	182	137	203	66
Increase in Impairment of Debtors	150	75	75	0
Depreciation of Fixed Assets	5,116	3,837	3,837	0
Amortisation of Intangible Assets	3	2	2	0
Debt Management Costs	46	35	35	0
GROSS EXPENDITURE	13,700	7,800	7,571	(229)
NET COST OF HRA SERVICES	(2,811)	(4,583)	(4,787)	(204)
HRA share of Corporate and Democratic Core	590	443	443	0
NET OPERATING COST OF HRA	(2,221)	(4,140)	(4,344)	(204)
Capital Financing and Interest Charges				
Interest Payable	1,922	1,442	1,442	0
Interest Receivable	(36)	(27)	(27)	0
Total Capital Financing and Interest Charges	1,886	1,415	1,415	0
HRA (SURPLUS) / DEFICIT	(335)	(2,725)	(2,929)	(204)

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THE CAPITAL PROGRAMME 2020/2021

APPENDIX 2

Line	SUMMARY	Original Programme 2020/21	B/F 2019/20	Re-profiled 2019/20	Approved Variations	Approved Variations	Proposed Programme 2020/21	Q3 Expenditure 2020/21
1	HRA HOUSING CAPITAL PROGRAMME	£	£			£	£	£
2	Buy-back of RTB Properties	200,000	-	-	-	-	200,000	-
3	New Acquisitions & New Build	9,854,000	-	-	(5,833,000)	(299,854)	3,591,222	-
4	Fort Road New Housing Development	-	670,987	-	4,000	207,084	897,715	897,715
5	Ashington Gardens, Peacehaven New development	-	52,990	-	-	6,020	59,805	59,805
6	Saxonbury Redevelopment	-	1,366,591	-	300,000	-	1,666,591	1,625,064
7	Feasibility Works (june 2017)	-	-	(65,838)	150,000	-	(25,838)	22,223
8	Old Hamsey Lakes Development	-	-	-	3,133,000	13,459	3,148,169	3,148,170
10	Newhaven Old Police Station Development	-	-	-	-	57,636	88,930	88,930
11	Newhaven Old Fire Station Development	-	-	-	-	10,098	69,187	69,186
12	Long Park Corner, Ditchling Development	-	-	-	-	3,429	3,429	3,429
13	Construction (Lewes Infills)	-	-	-	-	2,128	15,840	15,840
18	UTC (Newhaven)	-	-	-	-	-	7,680	7,680
19	Oakfield House (Plumpton Green)	-	-	-	2,250,000	-	2,250,000	-
20	Meridian Court (Peacehaven)	-	-	-	-	-	110,000	-
14	Improvements to Stock	4,448,000	-	-	(4,000)	-	4,444,000	1,274,517
15	Disabled Adaptations	415,000	-	-	-	-	415,000	-
16	Sustainability Initiatives Pilot	500,000	-	(20,482)	-	-	479,518	1,832
17	Recreation & Play Areas	50,000	-	-	-	-	50,000	26,636
21	TOTAL HRA HOUSING INVESTMENT CAPITAL PROGRAMME	15,467,000	2,090,568	(86,320)			17,471,248	7,241,025
22	GENERAL FUND HOUSING CAPITAL PROGRAMME							
23	Private Sector Housing Support	135,000	-	-	-	-	135,000	11,113
24	Mandatory Disabled Facilities Grants	1,001,000	-	-	-	(39,750)	961,250	495,606
25	TOTAL GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME	1,136,000				(39,750)	1,096,250	506,719
23	LHIC - Loans for Delivery of Mixed Tenure Homes			2,499,935			2,499,935	
24	LHIC/Aspiration Homes - Loans to facilitate delivery of new homes	1,250,000	995,000	13,547,293	-	-	15,792,293	-
25	TOTAL LOANS TO HOUSING COMPANIES	1,250,000	995,000	16,047,228			18,292,228	
26	TOTAL HOUSING	17,853,000	3,085,568	15,960,908		(39,750)	36,859,726	7,747,744
27	GENERAL FUND NON HOUSING CAPITAL PROGRAMME							
28	Joint Transformation Programme (JTP)	-	-	-	-	-	-	102,357
29	TOTAL JTP							102,357
30	Regeneration							
31	Commercial Property Acquisition & Development	1,000,000	-	-	-	(10,883)	989,117	-
32	NSQ - North Street Quarter	2,000,000	16,132	-	-	-	2,016,132	43,107
33	NSQ - Blue Light Services Hub	-	-	-	-	10,883	10,883	10,883
34	Construction of Avis Way Depot, Newhaven	2,100,000	520,263	-	-	-	2,620,263	26,399
35	Seaford Health Hub (September 2018)	18,550,000	31,580	-	-	-	18,581,580	12,382
36	Caburn House	-	191,967	-	-	-	191,967	17,822
37	Asset Development Newhaven	1,300,000	66,578	-	-	-	1,366,578	-
38	TOTAL REGENERATION	24,950,000	826,520				25,776,520	110,592
39	Asset Management							
40	Creative Hub Lewes (4 Fisher Street)	850,000	157,698	-	-	-	1,007,698	257,490
41	TOTAL ASSET MANAGEMENT	850,000	407,698				1,257,698	395,288
42	Indoor Leisure Facilities - Major Repairs and Improvements							
43	TOTAL INDOOR LEISURE FACILITIES (MAJOR REPAIRS AND IMPROVEMENTS)	50,000	63,963				113,963	2,813
44	Community Infrastructure							
45	TOTAL COMMUNITY INFRASTRUCTURE					487,202	487,202	559,113
46	Service Delivery							
47	TOTAL SERVICE DELIVERY	329,000			16,150		345,150	128,935
48	Specialist							
49	TOTAL SPECIALIST	158,000					158,000	65,402
50	Coastal Defence Works							
51	TOTAL COASTAL DEFENCE WORKS	100,000					100,000	11,830
52	Parks, Pavilions etc. - Remedial works							
53	TOTAL PARKS, PAVILIONS, ETC., - REMEDIAL WORKS	50,000	252,010	106,630	10,436		419,076	170,115
54	Information Technology (IT)							
55	TOTAL INFORMATION TECHNOLOGY (IT)	185,000	34,924				219,924	71,498
56	Finance Transformation							
57	TOTAL FINANCE TRANSFORMATION	50,000	81,158				131,158	
58	TOTAL GENERAL FUND NON HOUSING CAPITAL PROGRAMME	26,722,000	1,666,273	106,630	26,586	487,202	29,008,691	1,617,945
59	TOTAL OVERALL CAPITAL PROGRAMME	44,575,000	4,751,841	16,067,538	26,586	447,452	65,868,417	9,365,689
60	CAPITAL PROGRAMME FUNDING							
61	Borrowing						43,908,274	
62	Capital Receipts						12,231,583	
63	Reserves						7,531,164	
64	Capital Grants (Non-Governmental Public Bodies)						1,082,120	
65	Other Capital Contributions						209,198	
66	Planning Section 106 Contributions						194,440	
67	CIL Contributions						543,202	
68	Capital Expenditure Financed from Revenue (General Fund)						168,436	
69	Capital Expenditure Financed from Revenue (Housing Revenue Account)							
70	TOTAL CAPITAL PROGRAMME						65,868,417	

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- Report to:** Cabinet
- Date:** 4 February 2021
- Title:** General Fund Revenue Budget 2021/22 and Capital Programme
- Report of:** Homira Javadi, Chief Finance Officer
- Cabinet member:** Councillor Zoe Nicholson, Deputy Leader of Council, Cabinet Member for Finance and Assets
- 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):**
1. Members are asked to recommend the following proposals to Full Council:
 - i) The General Fund budget for 2020/21 (Revised) and 2021/22 (original).
 - ii) An increase in the Council Tax for Lewes District Council of £5 (per annum) resulting in a Band D charge for general expenses of £197.08 (per annum) for 2021/22.
 - iii) The revised General Fund capital programme 2021/22 as set out in Appendix 3.
 - iv) That Cabinet endorses the continuation of the Flexible use of Capital Receipts and refers on to Council for approval.
 - v) To note the section 151 Officer's sign off as outlined in the report.

2. Members are also asked:

- i) To approve, as a Restricted Matter under the LLP Agreement with Eastbourne Borough Council, the making of a loan facility [of up to £10m] by Eastbourne Borough Council (pursuant to an Eastbourne Borough Council Cabinet decision of February 2021) to AHLLP for the purpose of enabling the partnership to purchase and develop residential accommodation and other property. Also, to delegate authority to the Chief Finance Officer in consultation with the Lead Member for Finance to agree the terms of that loan facility and any associated documentation and to authorise the execution of any related documentation**

- ii) To authorise the Chief Finance Officer to ensure that a new “Deed of Entrustment” and the appropriate Funding Agreements are entered into by AHLLP with Eastbourne Borough Council to ensure that:**
 - (a) loans and other funding follow the new Subsidy Control regime which applies from 1 January 2021; and**

 - (b) Right to Buy receipts are appropriated in accordance with legislative requirements and the retention agreement with Government in relation to “social housing”.**

And to delegate authority to the Chief Finance Officer to determine the terms of such agreements

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 2020/21 to 2024/25 in September 2020. 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.

The MTFS included a set of financial assumptions and forecasts up to the financial year 2024/25, based on the most up to date information available at the time.

- 1.2 This report presents the updated forecast financial position for 2021/22, taking into account the capital strategy and programme approved by Council in February 2020, budget changes identified since the publication of the MTFS and the latest intelligence regarding the Spending Review announcement on 25 November 2020 and the provisional 2021/22 local government funding settlement subsequently announced on the 17 December 2020.
- 1.3 The 2021/22 budget has been prepared during one of the most challenging and uncertain times due to the ongoing impacts of Covid19 on the Council's finances, staff, residents, and local economy.
- 1.4 Government spending to combat Covid19 and mitigate its impact on businesses and individuals has led to record levels of public sector borrowing, and there is continuing uncertainty over the core funding that will be available to local authorities over the medium term.
- 1.5 One of the key outcomes of the Corporate Plan is achieving a robust financial strategy, the 2021/22 budget and medium-term financial strategy has been aligned to the Council's 5 Strategic priorities as shown in the following chart:



Key Factors

2 Financial Impact of Covid19

- 2.1 The Council has played a significant role in responding to Covid19, in supporting businesses and the most vulnerable in our communities as well as running essential services.
- 2.2 The financial impact of Covid19 has been an evolving picture throughout 2020/21 and this will continue into 2021/22. The Council is forecasting additional costs in 2020/21 in the region of £2.2m including homelessness prevention, redeployment costs, support for the Leisure services, additional PPE, community grants and cleaning costs.
- 2.3 The Council's income streams have also been affected, with projected losses in the region of £1.5m including trade waste, car parking, planning income, and rental income.
- 2.4 The Government has provided support to local authorities through £4.6bn, new burdens funding, and £3.2m towards homelessness. However, Lewes District Council's share of this £1.449m, falls short of the projected costs and losses in 2020/21.
- 2.5 The Council's capital programme has also been severely impacted by COVID19 with several projects falling behind schedule. The delivery of the programme may also be impacted by supply difficulties, for example increased costs from suppliers to cover the cost of additional PPE.
- 2.6 The financial impact of Covid19 for 2021/22 and beyond is difficult to predict, income streams have been reviewed and revised where appropriate and minimal costs are anticipated at this stage.

3 Economic Background

- 3.1 In November 2020, the Office for Budget Responsibility (OBR) published its independent economic and fiscal forecasts.
- 3.2 The coronavirus pandemic has delivered the largest peacetime shock to the global economy on record. It has required the imposition of severe restrictions on economic and social life; driven unprecedented falls in national income; fuelled rises in public deficits and debt surpassed only in wartime; and created considerable uncertainty about the future. The UK economy has been hit relatively hard by the virus and by the public health restrictions required to control it.
- 3.3 In the central forecast, the combined impact of the virus on the economy and the Government's fiscal policy response pushes the deficit this year to £394 billion (19% of GDP), its highest level since 1944-45, and debt to 105% of GDP, its highest level since 1959-60. Borrowing falls back to around £102 billion (3.9% of GDP) by 2025-26, but even on the loosest conventional definition of balancing

the books, a fiscal adjustment of £27 billion (1% of GDP) would be required to match day-to-day spending to receipts by the end of the five-year forecast period.

- 3.4 The support provided to households and businesses has prevented an even more dramatic fall in output and attenuated the likely longer-term adverse effects of the pandemic on the economy's supply capacity. The Government's furlough scheme has prevented a larger rise in unemployment. Grants, loans, and tax holidays and reliefs to businesses have helped them to hold onto workers, keep up to date with their taxes, and avoid insolvencies. Nonetheless, OBR anticipate a significant rise in unemployment – to 7.5% in our central forecast – as this support is withdrawn in the spring.
- 3.5 The economic outlook remains highly uncertain and depends upon the future path of the virus, the stringency of public health restrictions, the timing and effectiveness of vaccines, and the reactions of households and businesses to all of these. It also depends on the impact of Brexit following conclusion of the negotiations. In such circumstances, the value of a single 'central' forecast is limited.
- 3.6 CPI inflation falls from 1.8% last year to 0.8% in 2020, due in part to lower indirect taxes and energy prices, as well as increased slack in the economy. Thanks primarily to relatively weak average earnings growth, inflation remains subdued over the next three years, returning to the 2% target by the end of 2024. Whole economy inflation (as measured by the GDP deflator) is erratic in the short term, driven by the statistical treatment of public sector output (for example, school closures and the cancellation of non-virus-related operations are treated as raising the implicit price of education and health services). In the medium term, GDP deflator inflation settles at 2%.

4 Spending Review 2020 (SR20) 2021/22

- 4.1 The Government's three year Comprehensive Spending Review (CSR) was planned to conclude in July 2020, however, on 24 March 2020 the Chancellor announced that the CSR would be delayed 'to enable the Government to remain focussed on responding to the public health and economic emergency'
- 4.2 On 21 October 2020, the Chancellor announced the decision to provide a one-year Spending Review in order to prioritise the response to Covid19 and focus on supporting jobs. Details of this SR20 were published on 25 November 2020. The key points that are relevant to Local Government are as follows:
- a) Core spending power for local authorities in 2021/22 is estimated to increase by 4.5% in cash terms. In calculating CSP, it has been assumed that authorities will increase Band D by the maximum amount, and that each authority's taxbase has increased in line with their average taxbase growth since 2016/17.
- b) £3bn worth of financial support to local authorities in 2021/22 in relation to Covid19 pressures as follows:
- £1.55bn of grant funding to meet additional expenditure pressures as a result of Covid19.

- £670m grant funding to help households that are least able to afford council tax payments.
 - Estimated £762m compensation payments for 75% of irrecoverable loss of council tax and business rates revenues in 2020/21.
 - Extending the current sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021.
- c) Maintaining the existing New Homes Bonus scheme for a further year with no new legacy payments. This was confirmed in the provisional settlement on 17 December 2020 as two payments in respect of years 8 and 9 as planned, and a further one-off payment (year 11). The Government is inviting views on a replacement for NHB.
- d) Continuation of the option for shire districts with the lowest council tax levels allowed increases in council tax of up to 2% or £5 whichever is higher, the £5 was confirmed in the provisional settlement.
- e) Rural Services Delivery Grant (RSDG) will continue in 2021/22
- f) £254m of additional resource funding to tackle homelessness and rough sleeping in 2021/22.
- g) The Government have indicated that they are unlikely to extend further Covid19 related support through business rates reliefs, outline plans for 2021/22 reliefs are expected in the New Year
- h) Public sector pay freeze in 2021/22 for some workforces, pay rises for NHS workers and increases for the lowest paid. The Government has no formal role in the decisions around annual local government pay increases, these are developed through negotiations between the LGA and the relevant trade unions.
- i) Confirmation that the Fair Funding Review, Business Rates Review and business rates reset will be delayed. A fundamental review of the business rates system will be undertaken, and the Government are considering responses to the call for evidence. A final report with conclusions of this review is expected spring 2021.
- j) To support businesses in the near-term, the Government has decided to freeze the business rates multiplier in 2021/22, saving businesses in England an estimated £575m over the next five years. Local authorities will be fully compensated through S31 grants.
- k) Reform of the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield. The Government cut PWLB lending rates to gilts + 100bps for Standard Rate and gilts + 80bps for Certainty Rate, with effect from 26 November 2020.
- l) The government is launching a new Levelling Up Fund worth £4bn (£600m in 2021/22), to invest in local infrastructure that has a visible impact on people and

their communities and will support economic recovery. Bids for projects of around £20m that can be delivered in 2-3 years will be considered. The Prospectus is likely to be released early in the New Year.

m) £300 million of new grant funding for adult and children's social care, in addition to the £1bn announced at SR19 that is being maintained in 2021/22. In addition, local authorities will be able to levy a 3% adult social care precept.

n) Negative Revenue Support Grant is now fully funded.

4.3 The Provisional Finance Settlement was announced on the 17 December 2020 and provided Lewes with additional funding of £663k which has been built into the 2021/22 budget.

This can be broken down as follows:

- a new Lower Tier Services grant of £96k to help mitigate the reduction in core spending power as a result of the New Homes Bonus changes

- New Homes Bonus was £73k more than originally estimated.
- Additional Emergency Covid-19 grant of £494k.

The headlines are as follows:

- No increase to the Business Rates baseline funding.
- £150m compensation for under-indexing the Business Rates multiplier, Lewes's share of this is being assessed currently. At this stage this has not been built into the baseline numbers as this will form part of the forecast Business Rates budgets that will be calculated in January along with the East Sussex Business Rates Pool forecasts.
- New one-off Lower Tier Services grant introduced of £111m to ensure no council will have less funding available in 2021/22 than 2020/21. Lewes's allocation is £96k.
- Lewes's share of the £1.55bn 5th tranche of Covid19 grant funding has been confirmed at £494k.
- New Local Council Tax Support Grant £670m – outside the core settlement and is to fund authorities for the expected increase in Local Council Tax Support in 2021/22. This grant is to be allocated between East Sussex County Council, Police and Crime Commissioner and Lewes District Council. Provisional allocations are as follows:

East Sussex County Council	£905k
Sussex Police Crime & Commissioner	£121k
East Sussex Fire & Rescue Services	£58k
Lewes District Council	£196k

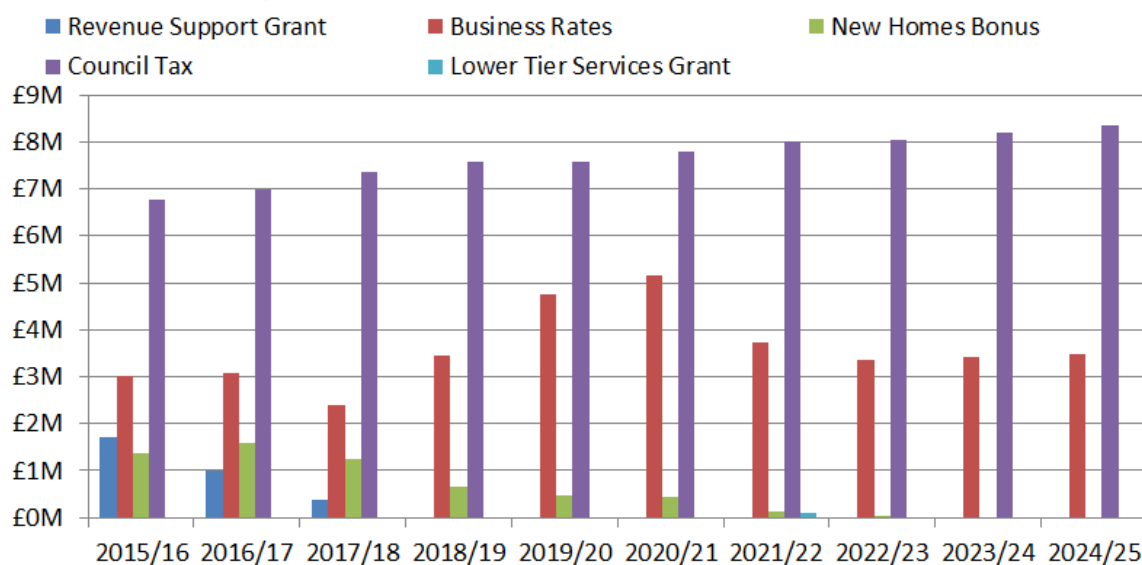
This has not been included in the funding at this stage until further work can be undertaken to establish how to fairly allocate Lewes's share.

4.4 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

	2020/21 £m	2021/22 £m	2021/22 £m	2022/23 £m	2024/25 £m
Business Rates	4.790	2.994	3.054	3.115	3.177
Business Rate – Enterprise Zone	0.304	0.304	0.304	0.304	0.304
Business Rates - Surplus	0.073	0.472	-	-	-
Council Tax	7.713	7.876	8.034	8.194	8.358
Council Tax - Surplus	0.083	0.122	-	-	-
New Homes Bonus	0.439	0.141	0.016	-	-
CTax Support Grant	0.344	0.344	0.344	0.344	0.344
Lower Tier Service Grant	-	0.096	-	-	-
Total Resources	13.746	12.349	11.751	11.957	12.183

Chart 1: Funding Resources



Note the above includes annual surpluses and deficits relating to business rates and council tax.

5 Council Tax

5.1 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.

5.2 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 2021/22 £	Band D 2021/22 £	Special Expenses 2020/21 £	Band D 2020/21 £
Lewes	344,430	56.12	344,430	56.12
Newhaven	134,940	36.53	134,940	36.53
Telscombe	57,720	22.78	57,720	22.78
Seaford	58,590	6.17	58,590	6.17
Peacehaven	41,100	8.56	41,100	8.56
Chailey	1,120	0.86	1,120	0.86
Ringmer	4,410	2.35	4,410	2.35
TOTAL SPECIAL EXPENSES	642,310	17.45	642,310	17.45

5.3 Applying a £5 increase to the General Expenses element of the Council Tax gives a Band D tax amount of £197.08 as shown in the table below:

Table 3: Council Tax

	2020/21 £	2021/22 £	Change £	Change %
Band D				
Special Expenses	17.45	17.45	0.00	0.0%
General Expenses	192.08	197.08	5.00	2.6%
Total	209.53	214.53	5.00	2.39%

5.4 The Council has to give an indication of likely future council tax rises, it is still expected that council tax will rise by 2% per annum in line with inflation for each of the next three years. This is within the Government's target for inflation (1-3%) and the current ceiling on rises that would otherwise require a referendum.

5.5 Within this context, for 2021/22, the Council will raise £7.9M 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 £214.53 per annum.

6 2020/21 Revised Budget

6.1 The 2020/21 has been significantly impacted by the Covid-19 pandemic in terms of income losses and additional costs. The Council's Chief Finance Officer has been monitoring the financial impact of the pandemic on the Council's resources

since the first national lockdown in March 2020. In helping members to assess the likely impact of the virus in a difficult to predict and plan for environment, a scenario based planning approach was introduced. This was to provide a range of outcomes and impacts based on a number of assumptions as summarised in the following table:

Table 4: Scenarios

Scenarios	Key assumption	Based on	Impact
1 – Best Case	July recovery and bounce back	MHCLG advice	Financial impact - manageable
2- Mid Case	Partial lockdown, slow recover and a longer term bounce back	Broader information	Financial impact - manageable with significant reduction in the Council's financial resilience.
3- Worst Case	Full year of lockdown	Developed at the time of the first lockdown. Prior to receiving any financial support.	Financial impact far in excess of available resources

Following campaigns by various networking groups and the ministry's greater understanding of the financial impact on the councils resources, series of financial support packages such as emergency COVID grant (T1,£39k- T2 £1m, T3157k and £225k) and later income compensation grants (75% of the 95% income loss relating to fees and charges) were introduced.

Whilst the Government has provided encouraging amounts of funding, there has still been a net cost to the Council. The following table sets out the key variances for 2020/21 and the funding being used to ensure a balanced budget is maintained.

Table 5: 2020/21 Major Movements

2020/21 Budget Variances	
Additional pressures	£
Reduced car parking income	420,000
Reduced rental income	334,000
Reduced FIT Income re Solar Panel Trading A/C	29,000
Corporate savings/ new income deferred	300,000
Loss of income from summons Costs and Liability Order	210,000
Reduced Recycling Credits (net)	59,000
Housing - additional net costs	777,000

Additional ICT costs	70,700
Provision of emergency and lockdown COVID support	1,449,700
	3,649,400
Efficiencies and other funding	
Reduced pension costs	(160,000)
Democratic Services - remote working savings	(23,800)
Other Net Budget Changes	(7,600)
Housing Revenue Account - additional services	(142,100)
Income Recovery Grant	(800,000)
Emergency COVID19 grant	(1,449,700)
Allocation of Contingency Budget	(342,150)
Use of Covid Reserve	(516,900)
Contributions from Reserves - Grant funded schemes	(207,150)
	(3,649,400)

6.3 A breakdown of the general fund summary is included at Appendix 1.

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 2021/22 budget.

The latest MTFS, as approved by Cabinet on 24 September 2020, 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	2024/25 £000
Budget Forecast	16,836	15,021	14,326	14,372	14,409
External Funding	(12,825)	(12,240)	(12,419)	(12,639)	(12,914)
Annual Budget Gap	4,011	2,781	1,907	1,733	1,495
Cumulative Budget Gap	4,011	6,792	8,699	10,432	11,927

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 2020/21 and newly identified budget pressures. The forecast budget gap for 2021/22 has reduced by £1.443m to £1.338M, mainly due to additional funding from the provisional settlement (£663k), and improved assumptions on income losses and associated recovery claims (£1m).

7.3 A summary of the revised position, including the updated savings requirement, is shown in following sections.

Table 7: Summary of Revised MTFS Position

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Budget Forecast	14,605	13,687	14,519	14,565	14,602
External Funding	(13,746)	(12,349)	(11,751)	(11,957)	(12,183)
Initial Budget Gap	859	1,338	2,768	2,608	2,419
Use of Contingency	(342)				
Use of Covid Reserve	(517)				
Member's Allowances		(20)			
Grant Funding Allocation		(350)			
Remote Working		(15)	(15)	(15)	(15)
Service Review Savings (Finance, Internal Audit, Regeneration & CMT)		(127)	(127)	(127)	(127)
Transformational Savings		(583)	(583)	(583)	(583)
Pay Award savings		(243)	(243)	(243)	(243)
Budget Gap	0	0	1,830	1,671	1,483

7.4 It should be noted that the business rates income figure for 2021/22 is subject to change following the completion of the NNDR1, which is due at the end of January.

7.5 Previously, any additional amounts arising from this have been set aside in the Business Rates Equalisation Reserve. However, it is planned for any potential amounts arising in 2021/22 to be allocated to:

- The creation of a capital programme acceleration reserve.
- The creation of a commercial asset resilience planning reserve.
- To top up those reserves used to fund Covid-19 reserve.

The amounts to be allocated will be subject to the finalisation of the business rates income estimates, and will form part of the final budget proposals to Full Council.

7.6 The forecast budget gaps from 2022/23 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.

7.7 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.

Further papers will be developed and submitted to Cabinet in due course.

8 Reserves

8.1 The following table sets out the reserves position for 2020/21 and 2021/22.

Table 8: Reserves Summary

Reserves Summary	Balance as at 01-Apr-20 £000's	Transfers into Reserves £000's	Transfers out of Reserves £000's	Balance as at 31-Mar-21 £000's	Transfers into Reserves £000's	Transfers out of Reserves £000's	Balance as at 31-Mar-21 £000's
Asset Maintenance	(2,200)	-	300	(1,900)	-	-	(1,900)
Economic Regeneration	(1,666)	(304)	470	(1,500)	(274)	304	(1,470)
Managing In-Year Economic Downturn	(296)	-	296	0	-	-	0
Revenue Grants & Contributions	(503)	(404)	-	(907)	-	-	(907)
Strategic Change	(1,265)	-	300	(965)	-	-	(965)
Vehicle & Equipment Replacement	(751)	-	-	(751)	-	-	(751)
Elections Reserve	0	(30)	-	(30)	(30)	-	(60)
Business Rates Equalisation Reserve	0	(1,073)	104	(969)	-	-	(969)
Covid-19	0	(1,800)	516	(1,284)	-	-	(1,284)
Total Earmarked Reserves	(6,681)	(3,611)	1,986	(8,306)	(304)	304	(8,306)
General Fund Reserve	(3,425)	-	800	(2,625)	-	-	(2,625)
Total Reserves	(10,106)	(3,611)	2,786	(10,931)	(304)	304	(10,931)

Note that the balances as at 01 April 2020 are still subject to audit.

8.2 As previously reported, the £1.8m Covid-19 reserve was established by the following transfers:

- Asset Maintenance - £300k
- Managing In-Year Economic Downturn - £296k
- Strategic Change - £300k
- Business Rates Equalisation - £104k
- General Fund - £800k

Additional transfers have been made in respect of the following:

- Economic Regeneration – net (£166k) in respect of the Newhaven Enterprise Zone, Future High Streets Fund & Newhaven Town Deal. In 2021/22 the net transfer of (£30k) relates solely to the Newhaven Enterprise Zone.
- Revenue Grants - £404k, mainly in respect of Housing Needs grants received but not budgeted to be used at present.
- Election - £30k is now set aside each year to spread the cost of local elections.
- Covid-19 - £516k has been used to fund the additional costs incurred in 2020/21.

8.3 The General Reserve is forecast to be £2.625m by 31 March 2021 which is within the appropriate levels and £625k above the recommended minimum level of £2m.

8.4 The final budget report to Full Council will include a review of reserves and their adequacy as part of the Section 151 Officer Section 25 report. This will also include a more detailed narrative on the application and purpose of each reserve, and will also include details relating to the proposals set out in section 7.5 of this report.

9 Financial Planning Cycle

- 9.1 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 2021/22 and beyond.

Since the publication of the MTFs in September, the Council has reviewed its 2021/22 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.

- 9.2 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 2019/20 and 2020/21 with due regard given to the on-going impacts in future years.
- Validation of MTFs savings proposals.

Full details of the updated financial assumptions are contained within Appendix 4.

10 CIPFA Resilience Index

- 10.1 CIPFA's Financial Resilience Index, made publicly available for the first time in 2019, aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience of an authority. However, users of the index can undertake comparator analysis drawing their own conclusions.

- 10.2 The 2020 index, which will provide the relative position for the 2019/20 financial year, will be made publicly available shortly. Councils performance will be ranked relative to those in the selected 'comparator group'.
- 10.3 As part of the audit work for the 2018/19 and 2019/20 financial statements, a going concern review was undertaken in light of Covid19. The Council has demonstrated that it is currently in a strong financial position with the level of reserves it has and the funding received from the Government mitigating the financial impact forecast at this stage.
- 10.4 The Council will continue to become financially self-sufficient and to use its reserves as a last resort. Earmarked Reserves may be drawn on for their intended function, such as to mitigate the impact of Covid19, Climate Change initiatives, and funding specific projects. As such, the reserves indicators within the resilience index could move either way in future years.

CIPFA FM Code of Practice

- 10.5 CIPFA has developed the Financial Management Code (FM Code) 'designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.' The FM code has several components including six Principles of Good Financial Management, setting the benchmark against which all financial management should be judged.
- 10.6 CIPFA expect the first full year of compliance with the FM Code to be 2021/22 and it is for individual authorities to determine whether they meet the standards. The Council's Leadership will be taking part in the first workshop in February to develop awareness and understanding of the requirements of the code. Work will continue throughout 2021/22 to ensure the Council adopts best practice.

11 Capital Programme

- 11.1 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.
- 11.2 Capital expenditure within the Council is split into two main components, the General Fund Capital Programme and the Housing Revenue Account (HRA) Capital Programme.
- 11.3 Capital programme recognises the spending limitations within the Finance Settlement for 2021/22 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.

11.4 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. The Council's Draft Revenue Budget and Capital Programme 2021/22 to 2023/24 forecasts £118.3m (HRA of £62.5m and GF of £55.8m) of capital investment over the next three years with £39.8m met from existing or new resources. Over the course of this MTFs, prudential borrowing of £54.7m (HRA of £22.7m and GF of £32m) has been assumed for the General Fund Capital Programme. The full capital programme covering 2021/22 to 2023/24 are contained within Appendix 3.

The Council's external authorised borrowing limit for 2021/22 is set at £139.3m with a General Fund limit of £107.7m and no external borrowing as at 31 March 2021. The 2021/22 borrowing is estimated as £30.0m. 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 2021/22 HRA borrowing is estimated as £61.7m.

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.

Flexible Use of Capital Receipts – The Council has previously used the Flexible Use of Capital Receipts to fund the Joint Transformation Programme. The period over which this facility can be applied is 1st April 2016 to 31st March 2022 and it is proposed to continue this policy to fund or part fund delivery of the Recovery and Reset Programme.

- 11.5 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.
- 11.6 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.
- 11.7 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.
- 11.8 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 (2021/22). The Council receives the sale proceeds of the Council House.
- 11.9 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.
- 11.10 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.
- 11.11 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.

12 Financial Appraisal

- 12.1 The S151 Officer will submit her Section 25 report on the robustness of estimates and adequacy of reserves to Full Council in February 2021. This report will be based on a detailed financial resilience and stress test of the Council's proposed income and expenditure plans.

13 Legal implications

- 13.1 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.
- 13.2 Sections 42A of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.
- 13.3 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.
- 13.4 In accordance with the Aspiration Homes LLP Agreement, any time the Council or its partner Eastbourne Borough Council approves the making of certain loans to the partnership, each authority must be in agreement. Recommendation 2 in this report relates to the Council approving the making of a loan by Eastbourne Borough Council to Aspiration Homes LLP. This is required as the making of such a loan is a “Restricted Matter” under the LLP Agreement between both Councils. Where a “Restricted Matter” is proposed, this requires the agreement of both Councils.
- 13.5 The new Subsidy Control regime applies from 1 January 2021 as the EU State aid rules no longer apply due to Brexit. In place of the EU State aid rules the UK has committed to introducing its own domestic subsidy control regime. Recommendation 2 in this report is to ensure that funding will be given in compliance with these new requirements and that Right to Buy receipts will be used in accordance with all relevant requirements.

14 Risk Management implications.

- 14.1 Appendix 4 provides an analysis of risks associated with the MTFs and mitigating actions.

15 Equality analysis

- 15.1 The equality implications of any individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

16 Conclusion

- 16.1 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.

17 Appendices

- Appendix 1 - General Fund Budget Summary
- Appendix 2 – MTFS Assumptions
- Appendix 3 – Capital Programme
- Appendix 4 – Risks

18 Background papers

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

- Provisional Local Government Finance Settlement 2021/22
- Recovery and Reset Report

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LEWES DISTRICT COUNCIL GENERAL FUND BUDGET SUMMARY	2020-21 Current Budget	2020-21 Revised Budget	2021-22 Draft Budget
	£	£	£
CORPORATE SERVICES			
Corporate Management	494,350	494,350	496,700
Emergency Planning	37,000	39,300	39,300
Financial Services Team	773,550	648,550	808,250
Internal Audit and Corporate Fraud	246,300	111,300	230,800
Corporate Finance	668,200	508,200	415,200
Human Resources	353,350	353,350	342,250
Information Technology	1,734,500	1,805,200	1,718,200
Local Land Charges	(66,800)	(59,550)	(54,850)
Legal Services	443,900	443,900	457,300
Local Democracy	840,950	817,150	811,150
	5,525,300	5,161,750	5,264,300
REGENERATION AND PLANNING			
Estates & Property	(412,100)	301,750	(353,050)
Solar Panel Trading Account	(146,300)	(107,800)	(124,250)
Planning	(40,050)	(40,050)	(43,450)
Regeneration	595,150	706,700	469,250
Regeneration Portfolio	127,000	118,250	119,750
Business Planning & Performance	780,350	780,350	764,350
	904,050	1,759,200	832,600
SERVICE DELIVERY			
Shared Management	151,600	151,600	131,750
Specialist Advisors	1,071,900	2,110,100	1,706,200
Account Management	340,700	340,700	343,800
Case Management	599,500	599,500	600,850
Neighbourhood First	607,750	607,750	568,200
Customer Contact	957,750	957,750	1,002,300
Waste & Recycling	3,590,550	3,638,350	3,894,000
Homes First - Housing Property Services	606,550	606,550	827,650
Homes First - Neighbourhood Management	758,450	764,500	797,250
Homes First - Customer Experience	0	0	183,950
Homes First - Housing Needs & Standards	180,000	155,000	161,000
Homes First - Housing Needs and Standards	382,800	387,800	801,200
	9,247,550	10,319,600	11,018,150
TOURISM AND ENTERPRISE			
Arts Development	8,000	11,850	8,000
Tourism	230,400	213,450	214,650
Leisure Centres & Swimming Pools	92,000	122,300	120,250
Newhaven Fort	104,000	104,000	102,100
	434,400	451,600	445,000
HRA - SERVICES	(4,035,000)	(4,177,100)	(4,478,850)
Covid-19 Expenditure	0	1,448,700	0
NET COST OF SERVICES	12,076,300	14,963,750	13,081,200
OTHER OPERATING INCOME & EXPENDITURE			
Contingencies	342,150	0	350,000
Corporate Efficiency Savings	(1,144,100)	(844,100)	0
Income Recovery	0	(800,000)	(300,000)
Emergency Covid-19 Grant	0	(1,448,700)	(494,000)
Emergency Covid-19 Reserve	0	(516,900)	0
CAPITAL FINANCING & INTEREST			
Capital Financing - Interest & Investment Income	(30,000)	(30,000)	(30,000)
Capital Financing costs	1,080,000	1,080,000	1,080,000
CONTRIBUTIONS TO / (FROM) RESERVES	1,671,650	1,341,950	0
NET EXPENDITURE	13,996,000	13,746,000	13,687,200
FINANCING			
Council Tax	(7,713,050)	(7,713,050)	(7,875,700)
Council Tax (Surplus)	(83,050)	(83,050)	(122,100)
Retained Business Rates - To be financed (21/22)	(4,789,700)	(4,789,700)	(2,994,000)
Retained Business Rates (Surplus)	(73,000)	(73,000)	(472,100)
Business Rates Pool	(250,000)	0	0
Business Rates - Newhaven Enterprise Zone	(304,000)	(304,000)	(304,000)
General government grants:			
New Homes Bonus	(439,200)	(439,200)	(141,300)
Localising CT Support Admin Grant	(344,000)	(344,000)	(344,000)
Lower Tier Services Grant	0	0	(96,000)
TOTAL FINANCING	(13,996,000)	(13,746,000)	(12,349,200)
NET BUDGET DEFICIT	0	0	1,338,000

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Appendix 2

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 2021/22 onwards, however a saving proposal is included for 2021/22 in line with the Spending Review proposal for public sector pay to be paused.

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.

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 previously agreed a formal efficiency plan (Joint Transformation Programme). This enabled the authority to consider flexible use of capital receipts to finance qualifying expenditure. 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 and currently assumes no further application in 2020/21 or 2021/22. 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 2021/22 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 is to be applied to support cost recovery. The fees and charges report, also on this agenda, provides a detailed breakdown of the fees and charges increases for 2021/22.

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 is anticipated that the final local government finance settlement for 2021/22 will be announced in January but currently no date has been provided. The provisional settlement was announced on 17 December 2020.

The Government's three year Comprehensive Spending Review was planned to conclude in July 2020, however, on 24 March 2020 the Chancellor announced that the CSR would be delayed 'to enable the Government to remain focussed on responding to the public health and economic emergency'.

On 21 October 2020, the Chancellor announced the decision to provide a one-year Spending Review in order to prioritise the response to Covid-19 and focus on supporting jobs. Details of this SR20 were published on 25 November 2020.

g) Grant funding

The Council no longer receives any Revenue Support Grant.

Grant funding for all services has been updated based on the latest announcements.

Additional Emergency Covid-19 grant income of £494k has been built in for 2021/22, as well as a new Lower Tier Services grant of £96k to help mitigate the reduction in core spending power.

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 MTF5 has been updated to reflect current forecasts of house building activity.

i) Council Tax

Council Tax for 2021/22 is based on an increase of £5 (subject to Council approval). Future years are assumed to increase by 2%. The Council Tax Referendum level for 2021/22 remains unchanged from the previous year at 2% or £5.

The Council Tax Base (the number of Band D equivalent dwellings subject to Council Tax) for 2021/22 has reduced slightly, but for subsequent years no increases have been assumed at this point.

j) Business Rates

The Business Rates multiplier has been frozen at the 2020/21 rate, and there is no increase to the Business Rates baseline funding. The Business Rates collection fund is forecast to be in surplus at the end of 2020/21, and £420k has been built into the 2021/22 budget. The final 2021/22 Business Rates income forecast (NNDR1) is still to be finalised therefore, income has been based on the latest information available.

It is anticipated that the Council's income from Business Rates will increase at an inflationary amount for future years after 2021/22. 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 the Pool will continue for 2021/22.

CAPITAL PROGRAMME 2020/21 to 2023/24

	Original Programme 2020/21 £	Revised Programme 2020/21 £	Proposed Programme 2021/22 £	Proposed Programme 2022/23 £	Proposed Programme 2023/24 £
HRA HOUSING INVESTMENT CAPITAL PROGRAMME					
Acquisition and Construction of New Dwellings	10,054,000	9,427,000	18,812,000	9,330,000	4,100,000
Improvements to Stock (Stock Condition Survey)	4,448,000	4,448,000	4,554,000	4,662,000	4,796,000
Improvements to Stock (Non-Stock Condition Survey)	415,000	415,000	415,000	415,000	415,000
Housing Estates Recreation and Play Areas	50,000	50,000	50,000	50,000	50,000
Sustainability Initiatives Pilot	500,000	480,000	-	-	-
Total HRA Capital Programme	15,467,000	14,820,000	23,831,000	14,457,000	9,361,000
GENERAL FUND CAPITAL PROGRAMME					
Private Sector Housing	1,136,000	1,096,250	1,136,000	1,136,000	1,135,000
Aspiration Homes LLP	1,250,000	1,000,000	2,550,000	-	-
Other Loan	-	500,000	-	-	-
Joint Transformation Programme (JTP)	-	105,330	-	-	-
Recovery & Reset	-	250,000	555,000	-	-
Regeneration	24,950,000	1,876,520	15,967,000	4,250,000	1,800,000
Local Energy Schemes	-	-	3,000,000	3,000,000	4,000,000
Service Delivery	329,000	345,150	227,000	227,000	227,000
Specialist	258,000	259,250	436,000	236,000	236,000
Information Technology	185,000	219,920	150,000	150,000	150,000
Asset Management	850,000	1,027,410	580,000	480,000	330,000
Open Spaces	-	-	300,000	300,000	400,000
Indoor Leisure Facilities	50,000	113,960	1,095,000	300,000	400,000
Parks and Pavilions	50,000	373,440	150,000	150,000	200,000
Community Infrastructure	-	556,140	890,000	900,000	900,000
Finance Transformation	50,000	131,160	50,000	-	-
Total General Fund Capital Programme	29,108,000	7,854,530	27,086,000	11,129,000	9,778,000
Total Capital Programme	44,575,000	22,674,530	50,917,000	25,586,000	19,139,000

Funding Availability	Original Programme 2020/21 £	Revised Programme 2020/21 £	Proposed Programme 2021/22 £	Proposed Programme 2022/23 £	Proposed Programme 2023/24 £
HRA					
Capital Receipts	3,902,000	2,984,000	1,601,000	2,502,000	1,443,000
Major Repairs Reserve	11,565,000	11,836,000	6,428,000	5,337,000	5,519,000
Revenue Contributions	-	-	992,000	434,000	726,000
Borrowing Need	-	-	14,810,000	6,184,000	1,673,000
Total HRA	15,467,000	14,820,000	23,831,000	14,457,000	9,361,000
General Fund					
Capital Receipts	135,000	135,000	685,000	1,135,000	3,265,000
Grants & Contributions	1,001,000	1,776,640	8,147,000	3,137,000	2,136,000
Earmarked Reserves	777,000	1,733,820	1,335,000	150,000	150,000
Revenue Contributions	136,000	-	-	-	-
Borrowing Need	27,059,000	4,209,070	16,919,000	6,707,000	4,227,000
Total GF	29,108,000	7,854,530	27,086,000	11,129,000	9,778,000
Total Funding	44,575,000	22,674,530	50,917,000	25,586,000	19,139,000

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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.
The ongoing impact of Covid-19 on the Council's available resources and the Recovery and Reset Programme.	H	H	Continue to monitor and report on the financial impact to 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 the on-going	H	H	Constantly monitor information and update risk appraisals and financial projections. Provide timely

Appendix 4

impact of Covid-19, Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.			briefings and updates to Members/key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.
Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.	H	H	Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.
Budget pressures from demand led services and income variances reflecting the wider economy.	M	M	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	H	M	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	L	L	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
The Council has entered into a number of strategic partnerships and contracts and is therefore susceptible to price changes.	M	H	Effective negotiation, sound governance arrangements and regular reviews of performance and partnership risks.
There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.	L	H	Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation, and review any external auditor comments.

Appendix 4

Loss of key skills, resources and expertise.	M	M	Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.
Changes of responsibility from Government can adversely impact on service priorities and objectives.	L	L	Sound system of service and financial planning in place. Lobby as appropriate.
Loss of reputation if unforeseen resource constraints result in unplanned service reductions.	L	H	Have in place strong governance and risk management discipline followed by identification and implementation of robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.

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Agenda Item 12

Report to:	Cabinet
Date:	4 February 2021
Subject:	Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2021/22 and HRA Capital Programme 2020-24
Report of:	Homira Javadi, Chief Finance Officer
Cabinet member:	Councillor Zoe Nicholson, Deputy Leader and Cabinet Member for Finance and Assets
Ward(s):	All
Purpose of the report:	To agree the detailed HRA budget proposals, rent levels, service charges for 2021/22, and the HRA Capital Programme 2020-24
Decision type:	Budget and policy framework
Recommendation:	Members are asked to recommend the following proposals to Full Council: <ul style="list-style-type: none">i) The HRA budget for 2021/22 and revised 2020/21 budget as set out in Appendix 1ii) That social and affordable rents (including Shared Ownership) are increased by 1.5% in line with government policyiii) That private sector leased property rents are increased by 2.1% (RPI+1%).iv) That the revised service charges are implementedv) That garage rents are increased by 2.1% (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 Post Title: Deputy Chief Finance Officer E-mail: Andrew.clarke@lewes-eastbourne.gov.uk 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 HRA-related income. The main tool for the future financial management of the HRA is the 30-Year Business Plan.
- 1.2 Any significant changes to the assumptions underpinning the 30-Year 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 2021/22 HRA Revenue Budget

- 2.1.1 The 2021/22 budget is attached at **Appendix 1**
- 2.1.2 The 2021/22 budget is showing a surplus of £297k compared to a surplus of £182k in the 2020/21 revised budget, an increase of £115k.
- 2.1.3 The budget proposes a revenue contribution to capital expenditure of £992k. This will help support the ambitious programme of housing delivery set out in Appendix 2. In addition, a one-off budget of £30k has been allocated in 2021/22 to undertake a strategic land review and an ongoing revenue budget of £175k has been allocated to support delivery of the programme.
- 2.1.4 Rent, Service Charges and other inflationary income increases of £481k are offset by inflationary increases in costs of £184k. There has also been an increase in interest payable of £148k and a decrease in interest receivable of £4k.
- 2.1.5 The Major Repairs Reserve is funded from cash backed depreciation of £5.2m 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.
- 2.1.6 The HRA debt outstanding at 31.03.20 was £56.673m which was the maximum borrowing permitted under the self-financing settlement. The outstanding debt at 31.03.22 is estimated to be £71.483m. 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 currently approximately £18k.
- 2.1.7 The Council's treasury management advisors are predicting a gradual rise in interest rates going forward into 2021/22 and the interest budget has been prepared on this basis.

- 2.1.8 The HRA outturn for 2021/22 is expected to deliver a £182k surplus, a reduction of £153k over the original budget. This is mainly due to the addition of £175k per annum to the budget to support the housing delivery programme (feasibility studies, etc).
- 2.1.9 The HRA Business Plan is based on a policy of maintaining a minimum level of HRA balance at £2.275m. 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.
- 2.1.10 The forecast balances on the HRA and Reserves are as follows:

	HRA Working Balance	Major Repairs Reserve (MRR)
	£'000	£'000
Balance at 1.4.20	2,791	7,959
Surplus/(Deficit)	182	
Depreciation		5,119
Expenditure Financed from MRR		(11,836)
Estimated Balance 31.3.21	2,973	1,242
Surplus/(Deficit)	(695)	
Depreciation		5,186
Expenditure Financed from MRR		(6,428)
Estimated Balance 31.3.22	2,278	0

2.2 Rent Levels for 2021/22

- 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 2021/22, rents can be increased by Consumer Prices Index (CPI) + 1%.
- 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 1.5%.

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 £12.60 (2020: £12.02) with the lowest at £0.26 and the highest at £64.37. 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 2021/22 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 2020/21 was £3.23 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 £4.93 per week in 2021/22.

2.3.5 **Sheltered Accommodation Service Charge:** The service charge has been updated to reflect the 2021/22 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 2021/22 budget and achieve full cost recovery. This includes charges for digital television reception, residual lifeline services and domestic cookers provided at certain properties.

2.4 **Garage Rents**

2.4.1 It is recommended that garage rents increase by September RPI +1% which amounts to 2.1%.

2.5 **Capital Programme**

2.5.1 The Capital Programme set out in Appendix 2 reflects the proposals contained within the HRA 30-Year Business Plan. Total budgeted expenditure for 2021/22 is £23.832m.

- 2.5.2 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 works is £5m. Any investment requirements varying significantly from the existing provision will be subject to further cabinet approval and a revision of the Business Plan.
- 2.5.3 There is no longer a HRA debt cap, so, as was the case last year, the Capital Programme includes sums for the acquisition of properties and new builds. 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 either have been brought or will need to be brought to Cabinet for individual approval. The reports will include an analysis of the effects on the Business Plan.
- 2.5.4 The Council is committed to meeting its target of achieving zero carbon emissions and full climate resilience by 2030. Recognising that is an integral part of its sustainability plans, the 2020/21 budget included a provision of £480k to be invested in emerging initiatives. Sustainability will be a key driver in developing capital repairs schemes going forwards.

3 Outcome Expected and Performance Management

- 3.1 The HRA budget will be monitored regularly during 2021/22 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 2020.

5 Corporate Plan and Council Policies

- 5.1 Delivering Homes is one of the key priorities in the 2020-2024 Corporate Plan – Re-imagining Lewes District. The proposals contained within this report flow directly from the HRA 30-Year Business Plan, which itself aligns with the Corporate Plan. 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.

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 2021/22 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 Equalities and Fairness Analysis has been undertaken on these proposals. This has concluded that all groups protected under the Equality Act should benefit from the Council's ability to provide more, and better, affordable housing from 2021/22 onwards. The Equalities and Fairness Analysis has been included as a background paper.

11 Sustainability Implications

- 11.1 Setting aside £480k in 2020/21 in the HRA Business Plan will have helped Lewes District Council move towards meeting its target of achieving zero carbon emissions and full climate resilience by 2030.

12 Appendices

- Appendix 1 - HRA 2020/21 Revised Revenue Budget and 2021/22 Budget
- Appendix 2 - HRA Capital Programme 2020/21-2023/24

13 Background Papers

- HRA 2021/22 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

2020/21			2021/22
Original Budget £000's	Revised Budget £000's		Budget £000's
		INCOME	
(14,669)	(14,716)	Dwelling Rents	(15,177)
(456)	(456)	Non-Dwelling Rents	(461)
(1,203)	(1,203)	Charges for Services and Facilities	(1,216)
(183)	(183)	Contributions towards Expenditure	(185)
(16,511)	(16,558)	GROSS INCOME	(17,039)
		EXPENDITURE	
4,546	4,553	Repairs and Maintenance	4,610
2,281	2,457	Supervision and Management	2,489
1,376	1,376	Special Services	1,389
182	182	Rents, Rates, Taxes and Other Charges	214
150	139	Increase in Impairment of Debtors	141
5,116	5,116	Depreciation of Fixed Assets	5,182
3	3	Amortisation of Intangible Assets	3
46	46	Debt Management Costs	52
13,700	13,872	GROSS EXPENDITURE	14,080
(2,811)	(2,686)	NET COST OF HRA SERVICES	(2,959)
590	590	HRA share of Corporate and Democratic Core	596
(2,221)	(2,096)	NET OPERATING COST OF HRA	(2,363)
		Capital Financing and Interest Charges	
1,922	1,922	Interest Payable	2,070
(36)	(8)	Interest Receivable	(4)
1,886	1,914	Total Capital Financing and Interest Charges	2,066
(335)	(182)	HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	(297)
		CONTRIBUTION (TO)/FROM WORKING BALANCE	
(335)	(182)	Revenue Contribution to Working Balance	(297)
0	0	Revenue Contribution to Capital Expenditure	992
(335)	(182)	NET REVENUE CONTRIBUTION (TO)/FROM WORKING BALANCE	695
		HOUSING REVENUE ACCOUNT WORKING BALANCE	
(3,163)	(2,791)	Working Balance at 1 April	(2,973)
(335)	(182)	Contribution (to) / from Working Balance	695
(3,498)	(2,973)	Working Balance at 31 March	(2,278)

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HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2020/21 to 2023/24

Ref		Original Programme 2020/21 £	Revised Programme 2020/21 £	Proposed Programme 2021/22 £	Proposed Programme 2022/23 £	Proposed Programme 2023/24 £
	HRA HOUSING INVESTMENT CAPITAL PROGRAMME					
	Acquisition and Construction of New Dwellings					
1	RTB Dwelling Buy Backs	200,000				
2	New Acquisitions and New Construction (Block Allocation)	9,854,000	9,427,000	18,812,000	9,330,000	4,100,000
	Total Acquisition and Construction of New Dwellings	10,054,000	9,427,000	18,812,000	9,330,000	4,100,000
	Improvements to Stock (Stock Condition Survey)					
3	Improvements to Existing Stock (Block Allocation)	4,448,000	3,350,148	4,554,000	4,662,000	4,796,000
4	Roof Replacement	-	6,789	-	-	-
4	Heating Improvement Programme	-	398,686	-	-	-
5	Kitchen & Bathroom Renewals	-	116,021	-	-	-
6	Roofing & Chimney Works	-	53,267	-	-	-
7	Structural Works	-	55,488	-	-	-
8	Window & Door Replacement Programme	-	6,843	-	-	-
9	Electrical T & R	-	128,646	-	-	-
10	Block Repair & Redecoration	-	331,572	-	-	-
11	Door Entry Security Systems	-	540	-	-	-
	Total Improvements to Existing Stock	4,448,000	4,448,000	4,554,000	4,662,000	4,796,000
	Improvements to Stock (Non-Stock Condition Survey)					
12	Adaptations for Disabled Tenants	415,000	415,000	415,000	415,000	415,000
	Total Improvements to Stock (Non-Stock Condition Survey)	415,000	415,000	415,000	415,000	415,000
13	Housing Estates Recreation and Play Areas	50,000	50,000	50,000	50,000	50,000
14	Sustainability Initiatives Pilot	500,000	480,000	-	-	-
	Total HRA Capital Programme	15,467,000	14,820,000	23,831,000	14,457,000	9,361,000

	Funding Availability	Original Programme 2020/21 £	Revised Programme 2020/21 £	Proposed Programme 2021/22 £	Proposed Programme 2022/23 £	Proposed Programme 2023/24 £
	HRA					
	Capital Receipts	3,902,000	2,984,000	1,600,000	2,502,000	1,443,000
	Major Repairs Reserve	11,565,000	11,836,000	6,428,000	5,337,000	5,519,000
	Revenue Contributions	-	-	992,000	434,000	726,000
	Borrowing Need	-	-	14,811,000	6,184,000	1,673,000
	Total HRA	15,467,000	14,820,000	23,831,000	14,457,000	9,361,000

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Report to:	Cabinet
Date:	4 February 2021
Title:	Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy
Report of:	Homira Javadi, Chief Finance Officer
Cabinet member:	Councillor Zoe Nicholson, Deputy Leader of the Council and Lead 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: <ol style="list-style-type: none">a. Approve the Treasury Management Strategy and Annual Investment Strategy for 2021/22 as set out in Appendix A;b. Approve the Minimum Revenue Provision Policy Statement 2021/22 as set out at paragraph 8;c. Approve the Prudential and Treasury Indicators 2021/22 to 2023/24, 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 Telephone: 01323 415083 E-mail address: Ola.Owolabi@lewes-eastbourne.gov.uk

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 has adopted CIPFA's Treasury Management code of Practice, which 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 There are few changes to the Treasury Management Strategy attached as Appendix A compared with the approved 2020/21 Strategy, which includes the recently published HM Treasury details regarding the new Public Works Loans Board (PWLB) lending terms and a new Council approach to the ethical investment (Appendix A – para 7.12 – 7.13).
- 1.5 Borrowing will only be undertaken for temporary liquidity or to fund the capital programme. Recently HM Treasury has published details of new Public Works Loans Board (PWLB) lending terms reducing rates by 1% from 26 November 2020 but also confirming that it will **not lend to an authority that plans to buy investment property primarily for yield** anywhere in their capital plans. The Council will therefore no longer seek to purchase investment properties primarily for the return they provide.
- 1.6 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.
- 1.7 **Minimum Revenue Provision (MRP)**
- The Council's MRP methodologies were reviewed, and the MRP methodologies for borrowing incurred pre and post 1 April 2008 have now changed into an annuity method. Under this revised methodology, MRP will be lower in the early years and increases over time. This is considered a prudent approach as it reflects the time value of money (i.e. the impact of inflation) as well as providing a charge that is better matched to how the benefits of the asset financed by borrowing are consumed over its useful life. That is, a method that reflects the fact that asset

deterioration is slower in the early years of an asset and accelerates towards the latter years. The revised MRP Policy Statement (Section 8) therefore reflects this change in policy which will be introduced during 2021/22.

1.8 Policy on the use of external service providers

The Council uses Link Treasury Services 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 are subjected to regular review.

2. Potential impact on climate change and the environment

2.1 Fund managers will be required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues. Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

2.2 The Council recognises the importance of supporting sustainability and ethical investments and as part of future investment strategy, consideration will be given to potential opportunities to invest in environmentally focussed instruments or organisations locally and/or countrywide. 'Ethical, Social and Governance' (ESG) investment criteria will be considered and, where viable in adherence to the policies laid out in this strategy, will only be entered into following satisfactory assessment of the instrument and/or organisation. This will ensure the Council complies with the CIPFA investment guidance that makes it clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues will play a subordinate role to those priorities.

3. 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.

4. Outcome expected and performance management

4.1 Loans, Investments and Prudential Indicators will be monitored regularly during 2021/22 and performance will be reported to members quarterly.

5. Financial appraisal

5.1 These are included in the main body of the report.

6. Legal implications

6.1 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.

7. Equality analysis

7.1 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.

8. Conclusion

8.1 Capital prudential indicators are set to demonstrate plans for borrowing are affordable. The movement in the Capital Financing Requirement (CFR) forecasts for 2020/21, 2021/22, 2022/23 & 2023/24 are set as £88.4m, £119.7m, £132.0m, & £137.1m respectively. The borrowing has been reflected within the Capital Financing Requirement, which sets out the Council's borrowing requirements and includes both the use of internal resources and external borrowing. The proposed Minimum Revenue Provision Policy has been updated to ensure prudent provision is made for the repayment of borrowing.

8.2 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** Link Treasury Services 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 22 February 2021;
- Finance Matters and Performance Monitoring Reports 2020;
- CIPFA Prudential Property Investment.

To inspect or obtain copies of background papers please refer to the contact officer listed above.

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Lewes District Council

**Treasury Management Strategy
Statement,
Minimum Revenue Provision
and
Annual Investment Strategy.**

2021/22

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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 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.

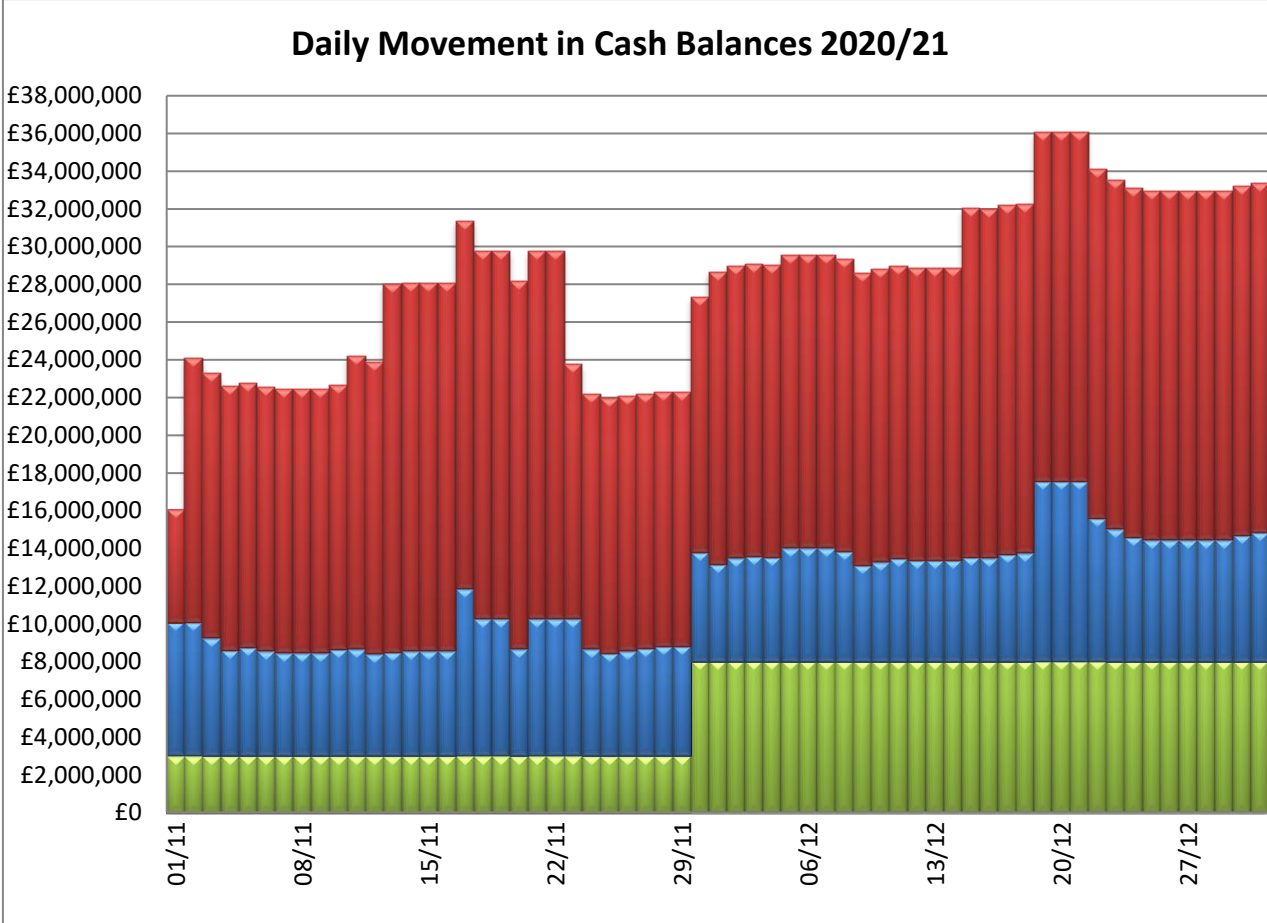
CIPFA concerns relating to the rapid expansion of acquisitions of commercial property and its relationship with CIPFA's statement in its Prudential Code that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Where 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 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 (without borrowing from the PWLB) 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 2021/22

5.1 Current Investment & Borrowing Position

The General Fund and Housing Revenue Account (HRA) long term borrowing are sourced mainly through the Public Works Loan Board (PWLB) with only one commercial loan. 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 2021. It shows the total sums invested each day as Fixed Term deposits, amounts held in Deposit accounts and Money Market Funds.



Key: Red = Money Market Funds, Blue = Tradeable/Call Accounts, Green = Fixed Investments

5.2 Prospects for Interest Rates

The Council appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 11.8.20. However, following the conclusion of the review of PWLB margins over gilt yields on 25.11.20, all forecasts below have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View		9.11.20												
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31.12.20: as this has now occurred, these forecasts do not need to be revised.

Gilt yields / PWLB rates

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc.

The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had, therefore, already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up in March, we have subsequently seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to six years were negative during most of the first half of 2020/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure.
- It also introduced the following rates for borrowing for different types of capital expenditure: -
 - **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
 - **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The new margins over gilt yields are as follows: -
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

- **Borrowing for capital expenditure.** As Link’s long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. The Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Although short-term interest rates are cheapest, longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable.
- While the Council authority will not be able to avoid borrowing to finance new capital expenditure, and to replace maturing debt, there will be a *cost of carry*, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances.

5.4 Borrowing Strategy for 2021/22

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 need 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 2021/22 to 2023/24 forecasts £95.6m (*HRA of £47.6m and GF of £48.0m*) of capital investment over the next three years with £45.1m met from existing or new resources. The amount of new borrowing required over this period is therefore £50.5m (*HRA of £22.7m and GF of £27.8m*) as shown in **Table 2a** below.

Table 2a	2020/21	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Capital Expenditure				
GF	4.8	11.1	9.1	8.5
HRA	14.8	23.8	14.5	9.4
Commercial Activities/ Non-financial investments	3.1	15.9	2.0	1.3
Total	22.7	50.9	25.6	19.1
Financed by:				
HRA Resources	14.8	9.0	8.3	7.7
Capital Reserves	1.7	1.3	0.2	0.2
Capital Grants	1.8	8.1	3.1	2.1
Capital Receipts	0.1	0.7	1.1	3.3
Revenue Contributions	-	-	-	-
Borrowing Need	4.2	31.7	12.9	5.9

As existing and forecast future resources are insufficient to meet the level of spend, the borrowing need of £49.3m will initially be met from both internal and external 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	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£m	£m	£m	£m
CFR – non housing	5.9	28.7	25.4	24.7
CFR - housing	67.3	67.3	82.2	88.3
Commercial Activities/non-financial investments	15.1	23.7	24.4	24.0
Total CFR	88.4	119.7	132.0	137.1
Movement in CFR	-	31.4	12.2	5.1
Movement in CFR represented by-				
Net financing needed for the year (above)	-	31.3	12.5	5.2
Less: MRP	-	0.1	(0.3)	(0.1)
Movement in CFR	-	31.4	12.2	5.1

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 £0.39m for 2021/22. 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	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£m	£m	£m	£m
GF Borrowing at 1 April	-	5.0	35.0	40.0
HRA Borrowing at 1 April	56.7	56.7	56.7	71.7
Borrowing at 1 April	56.7	61.7	91.7	111.7
GF new borrowing	5.0	30.0	5.0	-
HRA new borrowing	-	-	15.0	7.0
less loan maturities	-	-	-	-
Net Borrowing Total	5.0	30.0	20.0	7.0
Borrowing at 31 March	61.7	91.7	111.7	118.7

Table 3	2020/21	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
CFR at 1 April	84.6	88.4	119.7	132.0
Net Capital Expenditure	4.2	31.7	12.9	5.8
MRP	(0.5)	(0.4)	(0.7)	(0.8)
CFR at 31 March	88.4	119.7	132.0	137.1
Under borrowing	26.7	28.0	20.3	18.4

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 2020/21, the Council is projected to be under borrowed by £26.7m, £28.0m by 2021/22 and then reducing to £18.4m by 2023/24.

5.5 PWLB Loans

It is important to restate that borrowing is only used to fund the capital programme so the level of borrowing should not exceed the CFR for any meaningful amount of time. As previously stated, the CFR (Capital Financing Requirement) is the amount of capital expenditure the Council has financed by internal or external borrowing. The current assumption is that internal borrowing is prioritised over externalising debt, however, officers will monitor external rates of borrowing and the sustainability of using internal borrowing to determine if it becomes more beneficial to externalise the debt and invest core cash in deposits or investment funds.

The PWLB can lend for up to 50 years and also for the short term to Local Government. The PWLB is the source of loans/funds if no other lender can provide finance. The Government after a period of consultation has announced that the PWLB will not lend to an authority that plans to buy investment assets primarily for yield that is identified in their capital programme. The Chief Finance Officer will be expected by the PWLB to certify that no such purposes are planned. The CIPFA guidance by which Local Authority treasury management is assessed and governed is also likely to be altered to encourage further restriction of borrowing to fund investment purchases.

From a Treasury Management perspective, it is recommended that the PWLB should be retained as a borrowing option and therefore the purchase of investment properties primarily for yield should be excluded from the capital programme. This is recommended not only due to the reduced rates now available through PWLB but due to the backstop accessibility of this source of borrowing. The Council will not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the prudential code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes and must not use internal borrowing to temporarily support investments purely for yield.

If the Council wishes to on-lend money to deliver objectives in an innovative way, the government would expect that spending to be reported in the most appropriate category (service spending, housing, economic regeneration, preventative action, or treasury management) based on the eventual use of the money.

5.6 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 - The Municipal Bond 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.

5.7 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.

5.8 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.

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

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).

5.9 New financial institutions as a source of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

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, and our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

5.10 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 2021/22 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	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Expenditure (gross) Council's capital expenditure plans (including HRA)	£22.7m	£50.9m	£25.6m	£19.1m
Capital Financing Requirement Measures the underlying need to borrow for capital purposes	£88.4m	£119.7m	£132.0m	£137.1m
Ratio of financing costs to net revenue stream - General Fund Identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against net revenue stream	2.22%	5.87%	9.21%	10.23%

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	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Authorised Limit for external debt	£m	£m	£m	£m
Borrowing	86.1	111.1	123.8	129.8
Other long-term liabilities	0.6	0.6	0.6	0.6
Commercial activities/non-financial investments	22.2	31.6	32.3	31.9
Total	108.8	143.3	156.7	162.3
<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> <p><i>Note – excludes allowances for IFRS 16 – Leasing change from 2021/22.</i></p>				
Operational boundary for external debt	£m	£m	£m	£m
Borrowing	78.2	101.0	112.6	118.0
Other long-term liabilities	0.5	0.5	0.5	0.5
Commercial activities/non-financial investments	20.1	28.7	29.4	29.0
Total	98.9	130.2	142.5	147.6
<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.	20%	20%	20%	20%

Table 5	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Maturity Structure of Borrowings* The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing:				
Upper limit for under 12 months	25%	25%	25%	25%
Lower limit for under 12 months	0%	0%	0%	0%
Upper limit for 12 months to 2 years	40%	40%	40%	40%
Lower limit for over 12 months to 2 years	0%	0%	0%	0%
Upper limit for 2 years to 5 years	50%	50%	50%	50%
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	100%	100%	100%	100%
Lower limit for over 10 years	25%	25%	25%	25%

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, then yield, **(return) and the social impact**. 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 to establish the most robust scrutiny process on the suitability of potential investment counterparties.

7.2 Investment Strategy for 2021/22

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 period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

7.3 Investment returns expectations.

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future. 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 (the long-term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by what, if any, deal the UK agrees as part of Brexit.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

7.4 Negative investment rates

While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short-term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are several financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

7.5 Investment treasury indicator and limit

Total principal funds invested for greater than 365 days. These limits are set regarding 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			
	2021/22	2022/23	2023/24
Principal sums invested for longer than 365 days	£4m	£4m	£4m

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) to benefit from the compounding of interest.

7.6 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 under IFRS 9 Financial Instruments, 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. In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.

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.

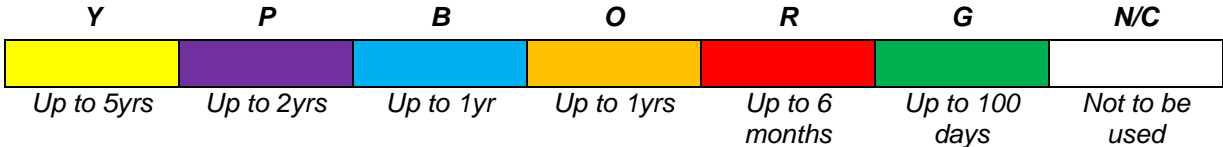
This modelling approach combines credit ratings with the following overlays:

- 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 (only applies to nationalised or semi nationalised UK Banks)
- 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 officer’s 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	£10m	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
Money Market Funds (MMF)	UK/Ireland/ EU domiciled		AAA rated Money Market Funds	£10m per fund
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
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

Table 7	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
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
Green Energy Bonds	Internal and External Due Diligence	£2m	2-5 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.

Alternative investments - - it is proposed that a new class of "alternative investments" be added to the Councils list of non-specified investment instruments. The motivation for this is increased diversification from the current concentration of credit risk on financial institutions along with the potential for increased returns in the current low interest rate environment which still meeting the MHCLKG requirements regarding security, liquidity and yield. A variety of products are available that are secured against real assets such as green energy, timber, commercial properties, and private real estates. Thorough due diligence will need to be undertaken on any such products before any investment is made. The need for due diligence will likely involve legal advice, the Council treasury management advisors and that of external auditors.

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 several 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 necessary, additional guarantees deemed will be sought. This will be via security against assets and/or through guarantees from a parent company.

7.12 The Climate Change and Sustainability Strategy 2021

The Climate Change and Sustainability Strategy 2021 strategy was produced following the Climate Emergency declaration made at Full Council in July 2019 and sets out the district wide strategy and vision for a net zero carbon district by 2030. The visions and actions contained within the strategy have been developed in response to the urgency of the climate emergency being faced. The strategy will enable the Council to work with the community to co-ordinate its response into meaningful and long-lasting action. With limited financial resources the Council needs to ensure it prioritises the right actions to have a lasting positive impact on the district in relation to carbon reduction, sustainability, and a green economic recovery.

The current Corporate Plan prioritises Sustainability and Community Wealth Building. Community wealth building is a key part of the sustainability strategy and forms part of action area 7 Circular Economy and Community Wealth. The Council is considered 'an anchor institution' and can use its substantial spending power and influence to drive investment into the local economy to enable a green economic recovery and local job creation and retention. Community wealth is a thread that runs throughout the climate change and sustainability strategy particularly in relation to procurement but also training and skills. The action plan and strategy refer directly to the 'Reimagining Lewes District Action Plan' that was subject to a cabinet paper in December 2020.

7.13 The Council's Approach to Ethical Investments

Ethical investing is a term used to describe an investment process which takes environmental, social and governance (ESG) or other ethical considerations into account and is a topic of increasing interest within treasury management. Investment guidance, both statutory and from CIPFA, makes clear however that all investment must adopt the principals of security, liquidity, yield, and that ethical issues must play a subordinate role to those priorities.

Historically, the council has not included ethical criteria when determining its investment criteria. The investment environment can be very fast moving, so there is a need to ensure that any investment criteria are objective, such as credit ratings. It is difficult to gain an objective assessment of the ethical standing of a potential counterparty, particularly to a tight timescale.

Ethical considerations are difficult to evaluate subjectively and would also need to be applied to the counterparty list after taking into account security and liquidity issues. The council's current counterparty list is, due to the high credit quality criteria used by the council, very small, and therefore does not encompass solely those organisations which promote themselves as ethical. However, none of the organisations on the counterparty list have given cause for concern regarding the ethical nature of their business.

Furthermore, the council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the council's mission and values. This would include avoiding direct investment in institutions with material links to:

- Human rights abuse (e.g. child labour, political oppression);
- Environmentally harmful activities (e.g. pollutions, destruction of habitat, fossil fuels);
- Socially harmful activities (e.g. tobacco, gambling).

A small, but growing, number of financial institutions are promoting ESG products and Link Asset Services are currently looking at how these can be incorporated into its creditworthiness assessment service. This is still very much an evolving area and should any investment in ESG products be undertaken by the Council, this would require to be within the approved counterparty and creditworthiness criteria, and with regard to the views of our treasury advisors on any proposals.

ESG criteria attached to investments can include a range of different factors depending on the region where their core activities take place and the commercial sector they occupy. The following are criteria that the Fitch Rating Agency takes into consideration:

- **Environmental Category:** Emissions and Air Quality; Energy and Waste Management; Waste and Hazardous Material; Exposure to Environmental Impact;
- **Social Category:** Human Rights; Community Relations; Customer Welfare; Labour Relations; Employee Wellbeing; Exposure to Social Impacts;
- **Governance Category:** Management Structure; Governance Structure; Group Structure; Financial Transparency.

The Council does not invest in equities and therefore does not have influence over the activities of companies that part-ownership might provide. However, as an investor the council can take the following approach:

- a. For direct investments, the Council will seek to ensure that counterparties (excluding the UK Government and other UK Local Authorities) have 'Responsible Investment Policies or Environmental, Social and Governance (ESG) policies' in place prior to investing.

- b. For indirect investments, the council will seek to ensure that any fund managers used have their own responsible investment policies or have signed up to widely recognised policies such as the United Nations Principles for Responsible Investment.
- c. The Council recognises that it has no control or influence over where its counterparties themselves lend money or invest once an investment has been made by the Council.

The investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity, and yield: ethical issues must play a subordinate role to those priorities. Link is looking at ways to incorporate these factors into their creditworthiness assessment service, but with a lack of consistency, as well as coverage, Link continue to review the options and will update the Council as progress is made.

8. ANNUAL MINIMUM REVENUE PROVISION/POLICY STATEMENT 2021/22

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 relates. 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 2021/22 and in future years is therefore as follows: -

For borrowing incurred before 1 April 2008, the MRP policy will be:

- Annuity basis over a maximum of 50 years.

From borrowing incurred after 1 April 2008, the MRP policy will be:

- Asset Life Method (annuity method) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations. A maximum useful economic life of 50 years for land and 50 years for other assets. This option will also be applied for any expenditure capitalised under a capitalisation directive.

For leases that come onto the Balance Sheet, the MRP policy will be:

- Asset Life Method (annuity method) - The MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. Any related MRP will be equivalent to the “capital repayment element” of the annual charge payable.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP).

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 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. 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 currently provides banking services for the Council.

10.2 Policy on the use of External Service Providers

The Council uses Link Asset Services 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 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, 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 2017 as 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 2021/22

2021/22 Counterparty/Bank List	Fitch Rating					Moody's Ratings			S&P Ratings						
	Long Term Status	Long Term	Short Term	Viability Status	Viability	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	Invest. Limit
Australia	NO	AAA				SB	Aaa		NO	AAA		Not Applicable	Not Applicable	13.48	£5m
Australia and New Zealand Banking Group Ltd.	NO	A+	F1		a+	SB	Aa3	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths	23.46	£5m
Commonwealth Bank of Australia	NO	A+	F1		a+	SB	Aa3	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths	24.68	£5m
Macquarie Bank Ltd.	NO	A	F1		a	SB	A2	P-1	NO	A+	A-1	R - 6 mths	R - 6 mths		£5m
National Australia Bank Ltd.	NO	A+	F1		a+	SB	Aa3	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths	24.68	£5m
Westpac Banking Corp.	NO	A+	F1		a+	SB	Aa3	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths	25.67	£5m
Belgium	NO	AA-				SB	Aa3		SB	AA		Not Applicable	Not Applicable	8.20	
BNP Paribas Fortis	NO	A+	F1		a	SB	A1	P-1	NO	A+	A-1	R - 6 mths	R - 6 mths		£5m
KBC Bank N.V.	NO	A+	F1		a	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
Canada	SB	AA+				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	37.87	
Bank of Montreal	NO	AA-	F1+		aa-	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
Bank of Nova Scotia	NO	AA-	F1+		aa-	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
Canadian Imperial Bank of Commerce	NO	AA-	F1+		aa-	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
National Bank of Canada	NO	A+	F1		a+	SB	Aa3	P-1	SB	A	A-1	R - 6 mths	R - 6 mths		£5m
Royal Bank of Canada	NO	AA	F1+		aa	SB	Aa2	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
Toronto-Dominion Bank	NO	AA-	F1+		aa-	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
Denmark	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	6.12	
Danske A/S	NO	A	F1		a	NO	A2	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	28.30	£5m
Finland	SB	AA+				SB	Aa1		SB	AA+		Not Applicable	Not Applicable	9.35	
Nordea Bank Abp	NO	AA-	F1+		aa-	SB	Aa3	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
OP Corporate Bank plc		WD	WD			SB	Aa3	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
France	NO	AA				SB	Aa2		SB	AA		Not Applicable	Not Applicable	9.50	
BNP Paribas	NO	A+	F1		a+	SB	Aa3	P-1	NO	A+	A-1	O - 12 mths	O - 12 mths	35.06	£5m

2021/22 Counterparty/Bank List	Fitch Rating					Moody's Ratings			S&P Ratings						
	Long Term Status	Long Term	Short Term	Viability Status	Viability	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	Invest. Limit
Credit Agricole Corporate and Investment Bank	NO	A+	F1		WD	SB	Aa3	P-1	NO	A+	A-1	O - 12 mths	O - 12 mths	24.69	£5m
Credit Agricole S.A.	NO	A+	F1		a+	SB	Aa3	P-1	NO	A+	A-1	O - 12 mths	O - 12 mths	28.31	£5m
Credit Industriel et Commercial	NO	A+	F1		a+	SB	Aa3	P-1	NO	A	A-1	R - 6 mths	R - 6 mths		£5m
Societe Generale	SB	A-	F1		a-	SB	A1	P-1	NO	A	A-1	R - 6 mths	R - 6 mths	37.33	£5m
Germany	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	7.61	
Bayerische Landesbank	NO	A-	F1		bbb	SB	Aa3	P-1		NR	NR	R - 6 mths	R - 6 mths		£5m
Commerzbank AG	NO	BBB	F2		bbb	SB	A1	P-1	NO	BBB+	A-2	G - 100 days	G - 100 days	41.56	£5m
Deutsche Bank AG	NO	BBB	F2		bbb	SB	A3	P-2	NO	BBB+	A-2	N/C - 0 mths	N/C - 0 mths	60.76	£5m
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	NO	AA-	F1+			NO	Aa1	P-1	NO	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
Landesbank Baden-Wuerttemberg	NO	A-	F1		bbb	SB	Aa3	P-1		NR	NR	R - 6 mths	R - 6 mths		£5m
Landesbank Berlin AG						SB	Aa2	P-1				O - 12 mths	O - 12 mths		£5m
Landesbank Hessen-Thueringen Girozentrale	NO	A+	F1+			SB	Aa3	P-1	NO	A	A-1	O - 12 mths	O - 12 mths	54.43	£5m
Landwirtschaftliche Rentenbank	SB	AAA	F1+			SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths		£5m
Norddeutsche Landesbank Girozentrale	NO	A-	F1		bb	SB	A3	P-2		NR	NR	G - 100 days	G - 100 days		£5m
NRW.BANK	SB	AAA	F1+			SB	Aa1	P-1	SB	AA	A-1+	P - 24 mths	P - 24 mths		£5m
Netherlands	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	7.36	
ABN AMRO Bank N.V.	NO	A	F1		a	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths		£5m
Bank Nederlandse Gemeenten N.V.	SB	AAA	F1+			SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths		£5m
Cooperatieve Rabobank U.A.	NO	A+	F1		a+	SB	Aa3	P-1	NO	A+	A-1	O - 12 mths	O - 12 mths	21.24	£5m
ING Bank N.V.	NO	AA-	F1+		a+	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	21.24	£5m
Nederlandse Waterschapsbank N.V.						SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths		£5m
Qatar	SB	AA-				SB	Aa3		SB	AA-		Not Applicable	Not Applicable	38.94	
Qatar National Bank	SB	A+	F1		bbb+	SB	Aa3	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	80.22	£5m
Singapore	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable		

2021/22 Counterparty/Bank List	Fitch Rating					Moody's Ratings			S&P Ratings						
	Long Term Status	Long Term	Short Term	Viability Status	Viability	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	Invest. Limit
DBS Bank Ltd.	NO	AA-	F1+		aa-	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
Oversea-Chinese Banking Corp. Ltd.	NO	AA-	F1+		aa-	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
United Overseas Bank Ltd.	NO	AA-	F1+		aa-	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
Sweden	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	9.10	
Skandinaviska Enskilda Banken AB	NO	AA-	F1+		aa-	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
Svenska Handelsbanken AB	NO	AA	F1+		aa	SB	Aa2	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
Swedbank AB	SB	A+	F1		a+	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
Switzerland	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	19.00	
Credit Suisse AG	SB	A	F1		a-	PO	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	46.92	£5m
UBS AG	NO	AA-	F1+		a+	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	27.10	£5m
United Arab Emirates	SB	AA				SB	Aa2		SB	AA		Not Applicable	Not Applicable	38.87	
First Abu Dhabi Bank PJSC	SB	AA-	F1+		a-	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
United Kingdom	NO	AA-				SB	Aa3		SB	AA		Not Applicable	Not Applicable	13.83	
Abbey National Treasury Services PLC	NO	A+	F1			SB	A1	P-1				R - 6 mths	R - 6 mths		£5m
Al Rayan Bank Plc						SB	A1	P-1				R - 6 mths	R - 6 mths		£5m
Bank of Scotland PLC (RFB)	NO	A+	F1		a	SB	A1	P-1	NO	A+	A-1	R - 6 mths	R - 6 mths	49.66	£5m
Barclays Bank PLC (NRFB)	NO	A+	F1		a	SB	A1	P-1	NO	A	A-1	R - 6 mths	R - 6 mths	56.24	£5m
Barclays Bank UK PLC (RFB)	NO	A+	F1		a	NO	A1	P-1	NO	A	A-1	R - 6 mths	R - 6 mths		£5m
Close Brothers Ltd	NO	A-	F2		a-	NO	Aa3	P-1				R - 6 mths	R - 6 mths		£5m
Clydesdale Bank PLC	NO	A-	F2		bbb+	SB	Baa1	P-2	NO	BBB+	A-2	N/C - 0 mths	N/C - 0 mths		£5m
Co-operative Bank PLC (The)	NW	B-	B	NW	b-	SB	B3	NP				N/C - 0 mths	N/C - 0 mths		£5m
Goldman Sachs International Bank	NO	A+	F1			SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	51.28	£5m
Handelsbanken Plc	NO	AA	F1+						SB	AA-	A-1+	O - 12 mths	O - 12 mths		£5m
HSBC Bank PLC (NRFB)	NO	AA-	F1+		a	SB	A1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	33.63	£5m
HSBC UK Bank Plc (RFB)	NO	AA-	F1+		a	NO	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m

2021/22 Counterparty/Bank List	Fitch Rating					Moody's Ratings			S&P Ratings						
	Long Term Status	Long Term	Short Term	Viability Status	Viability	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	Invest. Limit
Lloyds Bank Corporate Markets Plc (NRFB)	NO	A+	F1			SB	A1	P-1	NO	A	A-1	R - 6 mths	R - 6 mths		£5m
Lloyds Bank Plc (RFB)	NO	A+	F1		a	SB	A1	P-1	NO	A+	A-1	R - 6 mths	R - 6 mths	35.97	£5m
NatWest Markets Plc (NRFB)	NO	A+	F1		WD	PO	Baa2	P-2	NO	A-	A-2	G - 100 days	G - 100 days	56.95	£5m
Santander UK PLC	NO	A+	F1		a	SB	A1	P-1	NO	A	A-1	R - 6 mths	R - 6 mths		£5m
Standard Chartered Bank	NO	A+	F1		a	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	33.16	£5m
Sumitomo Mitsui Banking Corporation Europe Ltd	NO	A	F1			SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	35.86	£5m
Coventry Building Society	NO	A-	F1		a-	NO	A2	P-1				R - 6 mths	R - 6 mths		£5m
Leeds Building Society	NO	A-	F1		a-	NO	A3	P-2				G - 100 days	G - 100 days		£5m
Nationwide Building Society	NO	A	F1		a	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths		£5m
Nottingham Building Society						NO	Baa2	P-2				N/C - 0 mths	N/C - 0 mths		£5m
Principality Building Society	NO	BBB+	F2		bbb+	NO	Baa2	P-2				N/C - 0 mths	N/C - 0 mths		£5m
Skipton Building Society	NO	A-	F1		a-	SB	Baa1	P-2				G - 100 days	G - 100 days		£5m
West Bromwich Building Society						NO	Ba3	NP				N/C - 0 mths	N/C - 0 mths		£5m
Yorkshire Building Society	NO	A-	F1		a-	NO	A3	P-2				G - 100 days	G - 100 days		£5m
National Westminster Bank PLC (RFB)	NO	A+	F1		a	SB	A1	P-1	NO	A	A-1	B - 12 mths	B - 12 mths		£5m
The Royal Bank of Scotland Plc (RFB)	NO	A+	F1		a	SB	A1	P-1	NO	A	A-1	B - 12 mths	B - 12 mths		£5m
United States	NO	AAA					Aaa		SB	AA+		Not Applicable	Not Applicable	7.58	
Bank of America N.A.	SB	AA-	F1+		a+	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
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	£5m
Citibank N.A.	NO	A+	F1		a	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	48.73	£5m
JPMorgan Chase Bank N.A.	NO	AA	F1+		aa-	SB	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths		£5m
Wells Fargo Bank, NA	NO	AA-	F1+		a+	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	54.54	£5m

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
Green Energy Bonds	Internal and External Due Diligence	£2m	2-5 years

APPENDIX 'D'

Link Treasury Services Limited Economic Background & Interest Rate Forecast

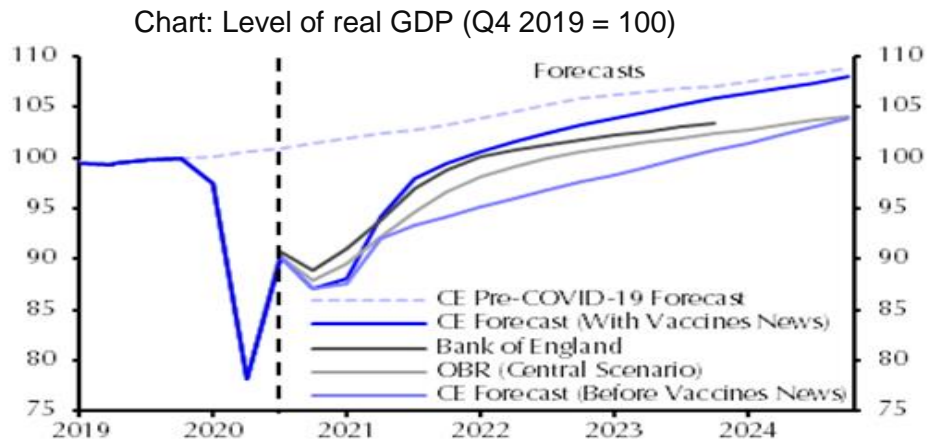
The Link Treasury Services Limited Economic & Interest Rate Forecast and underlying assumptions are:

- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”.
- Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
 - The economy would recover to reach its pre-pandemic level in Q1 2022.
 - The Bank also expected there to be excess demand in the economy by Q4 2022.
 - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.
- One key addition to **the Bank’s forward guidance in August** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short-lived factor and so not a concern.
- However, the minutes did contain several references to **downside risks**. The MPC reiterated that the “recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside”. It also said, “the risk of a more persistent period of elevated unemployment remained material”. Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. **Upside risks** included the early roll out of effective vaccines.
- **COVID-19 vaccines.** We had been waiting expectantly for news that various COVID-19 vaccines would be cleared as being safe and effective for administering to the general public. The Pfizer announcement on 9th November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected. However, this vaccine has demanding cold storage requirements of minus 70c that impairs the speed of application to the general population.

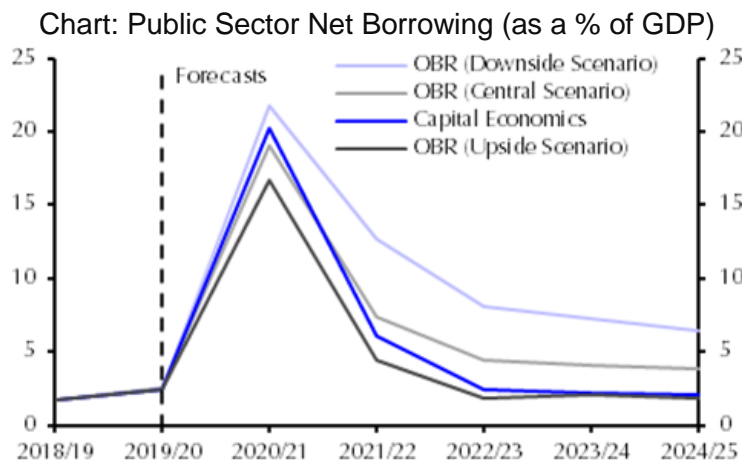
It has therefore been particularly welcome that the Oxford University/AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate of 2m people per week starting in January, though this rate is currently restricted by a bottleneck on vaccine production; (a new UK production facility is due to be completed in June).

- These announcements, plus expected further announcements that other vaccines could be approved soon, have enormously boosted confidence that **life could largely return to normal during the second half of 2021**, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels; this would help to bring the unemployment rate down. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could start to be eased, beginning possibly in Q2 2021 once vulnerable people and front-line workers have been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% in 2021 instead of 9%.
- **Public borrowing** was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity.
- In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.
- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. It is likely that the one-month national lockdown that started on 5th November, will have caused a further contraction of 8% m/m in November so the economy may have then been 14% below its pre-crisis level.
- **December 2020 / January 2021**. Since then, there has been rapid backtracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5.1.21 to national lockdowns of various initial lengths in each of the four nations as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is grim. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to its pre-pandemic peak as soon as late in 2022.

- Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.



This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that there is a reasonable Brexit deal and also that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.

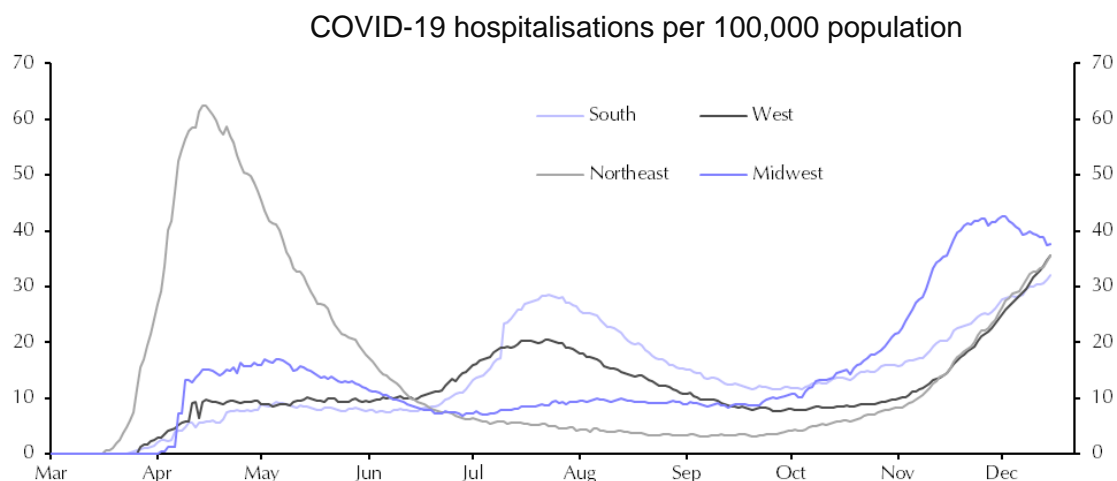


- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a reversal of globalisation as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.
- **Brexit.** While the UK has been gripped by the long running saga of whether or not a deal would be made by 31.12.20, the final agreement on 24.12.20, followed by ratification by

Parliament and all 27 EU countries in the following week, has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.

- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, “Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case.” So, while the vaccine is a positive development, in the eyes of the MPC at least, the economy is far from out of the woods. As a result of these continued concerns, the MPC voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)
- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -
 - An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
 - The furlough scheme was lengthened from the end of March to the end of April.
 - The Budget on 3.3.21 will lay out the “next phase of the plan to tackle the virus and protect jobs”. This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).
- The **Financial Policy Committee** (FPC) report on 6.8.20 revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.
- **US.** The result of **the November elections** meant that while the Democrats gained the presidency and a majority in the House of Representatives, it looks as if the Republicans could retain their slim majority in the Senate provided they keep hold of two key seats in Georgia in elections in early January. If those two seats do swing to the Democrats, they will then control both Houses and President Biden will consequently have a free hand to determine policy and to implement his election manifesto.
- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave. While the first wave in March and April was concentrated in the Northeast, and the second wave in the South and West, the third wave in the Midwest looks as if it now abating. However, it also looks as if the virus is rising again in the rest of the country.

- The latest upturn poses a threat that the recovery in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, states might feel it necessary to return to more draconian lockdowns.



- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and retail sales dropping back. The economy is set for further weakness in December and into the spring. However, a \$900bn fiscal stimulus deal passed by Congress in late December will limit the downside through measures which included a second round of direct payments to households worth \$600 per person and a three-month extension of enhanced unemployment insurance (including a \$300 weekly top-up payment for all claimants). GDP growth is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- **EU.** In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by “only” 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has affected many countries: it is likely to hit hardest those countries more dependent on tourism. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.
- With inflation expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB’s December meeting added a further €500bn to the Pandemic Emergency Purchase Programme (PEPP) scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of Targeted Longer Term Re-financing Operations (TLTRO), (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank’s forecast for a return to pre-virus

activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.

- **World growth.** World growth will have been in recession in 2020. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high-tech areas and production of rare earth minerals used in high tech products.
- It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

Summary

- Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand in their economies.
- If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

INTEREST RATE FORECASTS

Brexit. The interest rate forecasts provided by Link in paragraph 3.3 were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31.12.20. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand in the economy.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for "weaker" countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next two or three years. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections, but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader, but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who the major guiding hand and driver of EU unity will be when she steps down.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.

- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7-year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.

Capital Strategy

1) Introduction

1.1 This Capital Strategy provides 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, and the key objectives are to deliver a capital programme that:

- Ensure the Council's capital assets are used to support the Council's vision;
- Reduce ongoing commitments/schemes;
- Reduce the current and projected level of borrowing;
- Reduce borrowing impacts on the Council's revenue budget;
- Increase capital programme partnership/support opportunities;
- Links with the Council's asset management/disposal plan;
- Is affordable, financially prudent and sustainable;
- Ensure the most cost-effective use of existing assets and new capital investment.

1.2 The Capital Strategy is a 'living document' and will be periodically, usually annually, updated to reflect changing local circumstances and other significant developments. The Strategy outlines the council's approach to capital investment, ensuring that it is in line with the council's corporate priorities. It is good practice that capital strategy and asset management/disposal plans are regularly reviewed and revised to meet the changing priorities and circumstances of the Council.

1.3 The strategy provides an important link between the ambitions set out in the Council's longer-term vision and Council Plan and the important investment in infrastructure that will help turn that vision into a reality. The economic climate and financial challenges due to COVID-19 are thought-provoking. However, the Council is committed to investing now for the longer term and financing that commitment will be made possible by the Council's financial resilience that continue to be developed through various themes and ongoing initiatives, including –

- Recovery and Reset Programme/Best use of Assets review;
- Medium Term Financial Strategy;
- Prudential Code/Treasury Management Strategy, etc.

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 capitalisation policy can be found in the Council’s Statement of Accounts.
- 2.1.3 In 2021/22, the Council is planning capital expenditure of £50.9 million (and £95.6 million over the next three years) as summarised in Table 1 below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

Capital Expenditure	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
	£m	£m	£m	£m
General Fund	4.8	11.1	9.1	8.5
HRA	14.8	23.8	14.5	9.4
Commercial Activities/ non-financial investments	3.1	15.9	2.0	1.3
TOTAL	22.7	50.9	25.6	19.1

- 2.1.4 The main General Fund capital projects scheduled for 2021/22+ are as follows:
- Avis Way Depot, Newhaven;
 - Local Energy Schemes
- 2.1.5 The main Commercial Activity/ non-financial investments capital projects scheduled for 2021/22+ are as follows:
- Newhaven Assets Development & High Street;
 - North Street Quarter, Lewes;
 - Loans to Aspiration Homes
- 2.1.6 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 subject to formal scrutiny prior to setting the budget (and 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 Sources

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
	£m	£m	£m	£m
External sources	1.8	8.1	3.1	2.1
Own resources	16.7	11.0	9.6	11.1
Debt	4.2	31.7	12.9	5.9
TOTAL	22.7	50.9	25.6	19.1

- 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

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
	£m	£m	£m	£m
Own resources	0.5	0.4	0.7	0.8

- 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 £31.4 million in 2021/22. 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 March 2021 budget	31 March 2022 budget	31 March 2023 budget	31. March 2024 budget
	£m	£m	£m	£m
General Fund	5.9	28.7	25.4	24.7
HRA	67.3	67.3	82.2	88.3
Commercial Activities/ non- financial investments	15.1	23.7	24.4	24.0
TOTAL CFR	88.4	119.7	132.0	137.1

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 its available cash before borrowing which in the current climate is more economic.

4.1.2 As at 31 December 2020, the Council had borrowing of £56.7 million at an average interest rate of 2.85% and cash balances of £31.2 million including money market funds, local authority and bank deposits deposit’s with rates in the range of 0.1% - 0.4%.

4.2 Borrowing

4.2.1 The Council’s main objectives when borrowing is 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 around 0.25%) and long-term fixed rate loans where the future cost is known but higher (e.g. 1.05% for 20 year term).

4.2.2 Projected levels of the Council’s total outstanding debt (which comprises borrowing and leases) are shown below in **Table 5**, compared with the Capital Financing Requirement (Table 4 above).

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31 March 2021 budget	31 March 2022 budget	31 March 2023 budget	31 March 2024 budget
	£m	£m	£m	£m
Debt (incl. leases)	61.7	91.7	111.7	118.7
Capital Financing Requirement	88.4	119.7	132.0	137.1

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 5**, 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 6: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
	£m	£m	£m	£m
Authorised limit – total external debt	108.8	143.3	156.7	162.3
Operational boundary – total external debt	98.9	130.2	142.5	147.6

4.2.5 Further details on borrowing are contained in the Treasury Management Strategy.

4.3 PWLB Loan

4.3.1 The government recognises the valuable contribution that local authorities make to the social and economic infrastructure and supports local investment in part by offering low cost loans to local authorities through the Public Works Loan Board (PWLB).

4.3.2 In compliance with the HM Treasury guidance, the Council need to ensure that the capital programme/investments are compliant with the ongoing access to the PWLB under the lending terms published in November 2020, which include an assurance from the Chief Finance Officer (Section 151 Officer) that **the Council is not borrowing in advance of need and does not intend to buy investment assets primarily for yield.**

4.3.4 The purpose of the PWLB is to offer long-term, affordable loans to support local authority investment in the following areas –

- Service spending, i.e. activities that would normally be captured in the following areas in the MHCLG Capital Outturn Return (COR): culture & related services, environmental & regulatory services, etc.

- Housing, i.e., activities normally captured in the HRA and General Fund housing sections of the COR, or housing delivered through a local authority housing company.
- Regeneration projects would usually have one or more of the following characteristics:
 - the project is addressing an economic or social market failure by providing services, facilities, or other amenities;
 - the Council is making a significant investment in the asset beyond the purchase price:
 - the project involves or generates significant additional activity that would not otherwise happen without the Council's intervention;
 - the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services.
- Preventative action with the following characteristics - intervention that prevents a negative outcome, there is no realistic prospect of support from a source other than the Council; has an exit strategy, and does not propose to hold the investment for longer than is necessary; the intervention takes the form of grants, loans, sale and leaseback, equity injections, or other forms of business support that generate a balance sheet asset.
- Treasury management covers refinancing or extending existing debt from any source, and the externalisation of internal borrowing.

4.3.5 Individual projects and schemes may have characteristics of several different categories. In these cases, the Chief Finance Officer would use professional judgment to assess the main objective of the investment and consider which category is the best fit.

4.3.6 If the Council wishes to on-lend money to deliver objectives in an innovative way, the government expects that spending to be reported in the most appropriate category based on the eventual use of the money. The Council must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans.

4.3.7 Under the prudential code, the Council cannot borrow from the PWLB or any other lender for speculative purposes, and must not use internal borrowing to temporarily support investments purely for yield, which would usually have one or more of the following characteristics:

- buying land or existing buildings to let out at market rate;
- buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification;
- buying land or existing buildings other than housing which generate income and are intended to be held indefinitely.

4.3.8 The decision over whether a project complies with the terms of the PWLB is for the Chief Finance Officer. This decision will be final unless the Treasury has concerns that issuing the loan is incompatible with HM Treasury's duty to Parliament to ensure that public spending represents good value for money to the Exchequer and aligns with relevant legislation. In practice such an eventuality is highly unlikely and would only occur after extensive discussion with the local authority in question – but a safeguard is necessary to protect the taxpayer.

4.4 Investments

4.4.1 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.

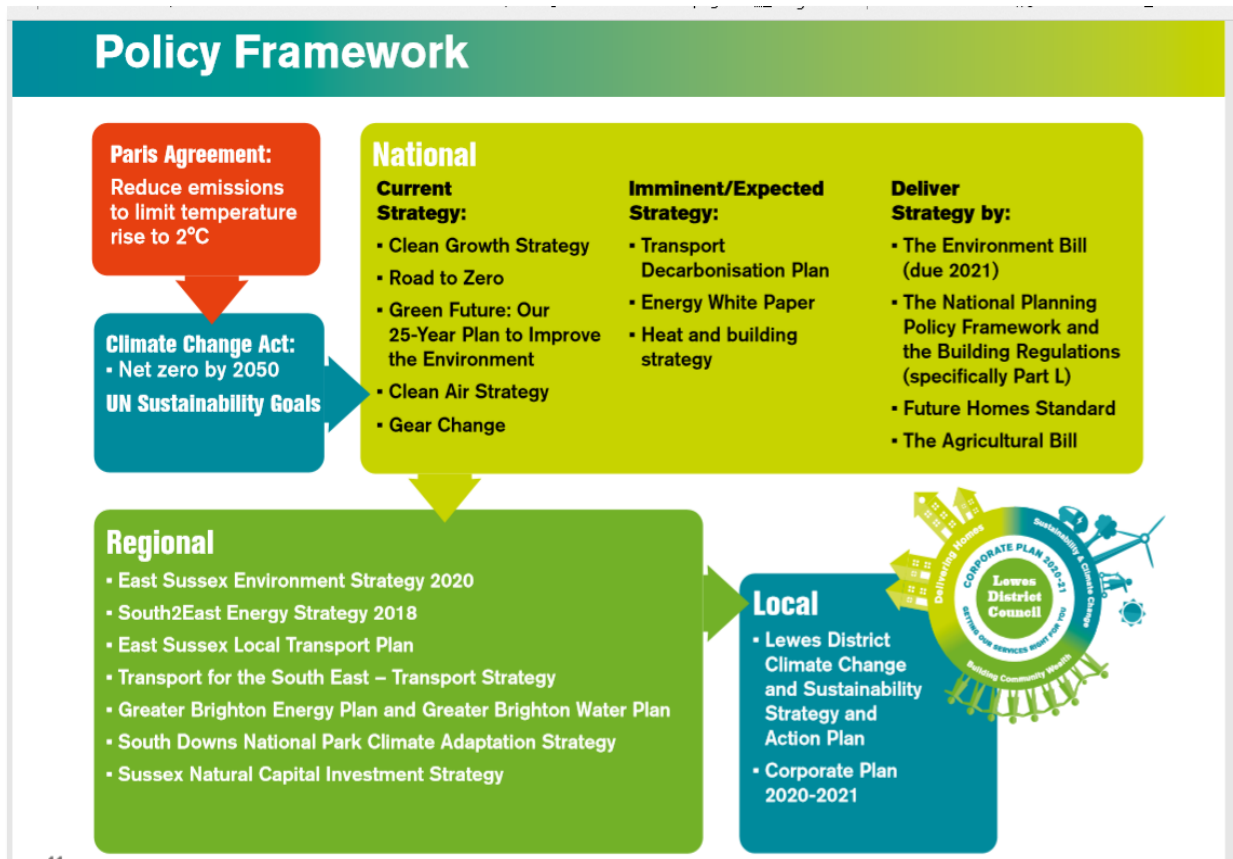
4.4.2 The Council's Investment Strategy is to prioritise security and liquidity over yield and social/ethical impact, focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely in selected high-quality banks, to minimise the risk of loss.

4.5 The Climate Change and Sustainability Strategy 2021

4.5.1 The Climate Change and Sustainability Strategy 2021 strategy was produced following the Climate Emergency declaration made at Full Council in July 2019 and sets out the district wide strategy and vision for a net zero carbon district by 2030. The visions and actions contained within the strategy have been developed in response to the urgency of the climate emergency being faced. The strategy will enable the Council to work with the community to co-ordinate its response into meaningful and long-lasting action. With limited financial resources the Council needs to ensure it prioritises the right actions to have a lasting positive impact on the district in relation to carbon reduction, sustainability and a green economic recovery.

4.5.2 The current Corporate Plan prioritises Sustainability and Community Wealth Building. Community wealth building is a key part of the sustainability strategy and forms part of action area 7 Circular Economy and Community Wealth. The Council is considered 'an anchor institution' and can use its substantial spending power and influence to drive investment into the local economy to enable a green economic recovery and local job creation and retention. Community wealth is a thread that runs throughout the climate change and sustainability strategy particularly in relation to procurement but also training and skills. The action plan and strategy refer directly to the 'Reimagining Lewes District Action Plan' that was subject to a cabinet paper in December 2020.

4.5.3 The policy framework below provides insight into major pieces of policy and how they link to our climate change and sustainability strategy.



4.6 The Council's Approach to Ethical Investments

4.6.1 Ethical investing is a term used to describe an investment process which takes environmental, social and governance (ESG) or other ethical considerations into account and is a topic of increasing interest within treasury management. Investment guidance, both statutory and from CIPFA, makes clear however that all investment must adopt the principals of security, liquidity, yield and that ethical issues must play a subordinate role to those priorities.

4.6.2 Furthermore, the council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the council's mission and values. This would include avoiding direct investment in institutions with material links to:

- Human rights abuse (e.g. child labour, political oppression);
- Environmentally harmful activities (e.g. pollutions, destruction of habitat, fossil fuels);
- Socially harmful activities (e.g. tobacco, gambling).

4.6.3 The investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities. Link is looking at ways to incorporate these factors into their creditworthiness assessment service, but with a lack of consistency, as well as coverage, Link continue to review the options and will update the Council as progress is made.

4.7 Governance

- 4.7.1 Treasury management decisions are made daily 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.
- 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

- 6.1.1 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 incomes 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 Local authorities will be prohibited from accessing the PWLB if they plan debt-for-yield commercial investments in any of the three years 2020/21 – 2022/23. Commercial activity must be secondary priority to economic regeneration and housing provision. There will be more monitoring of what it is that local authorities are delivering by way of a capital scheme and Section 151 officers are required to formally validate those policies to HM Treasury/PWLB.
- 6.1.3 The Council can fund the purchase of investment property through various means **excluding borrowing** money, normally from the Debt Management Office as part of HM Treasury. The rental income paid by the tenant/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 District.
- 6.1.4 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 District 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 Commercial Investment Strategy will support achieving a step change increase in commercial investment and trading by the Council.

6.3.2 CIPFA's 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 must demonstrate that such investments are "proportionate" to their resources. The Council's approach will incorporate the revised CIPFA guidance when it is published; this will enhance the other risk management features that are being developed, which 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 District 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.

7. Other Liabilities

7.1 Outstanding Commitments

7.1.1 The Council also has the following outstanding commitments:

- The Council has also set aside £0.6 million at 31st March 2020 to cover the financial risk associated with Business Rates appeals lodged with the Valuation Office Agency (VOA).

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 2020 was £56.7 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 7: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2020/21 forecast	2021/22 forecast	2022/23 forecast	2023/24 forecast
	£m	£m	£m	£m
Financing Costs (£m)	0.3	0.7	1.1	1.2
Proportion of Net Revenue Stream	2.2%	5.9%	9.2%	10.2%

Table 8: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (HRA)

	2020/21 forecast	2021/22 forecast	2022/23 forecast	2023/24 forecast
	£m	£m	£m	£m
Financing Costs (£m) [excl. depreciation]	1.8	1.8	2.1	2.2
Proportion of Net Revenue Stream	11.1%	10.8%	11.8%	12.1%

- 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 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 7 and 8 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
 - *Prudential Indicator 7 (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 8 (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 (£95.6 million over three years) have been included in the 2021/22 Budget and Medium-Term Financial Strategy (MTFS), extending to 2023/24; 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.
- 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. Prioritisation Principles and Obligations to deliver a scheme

9.1 The capital investment process is to ensure that money available for capital expenditure is prioritised in the way that best meets the Council’s objectives and must be achieved within the constraints of the capital funding available. The Council need to demonstrate that it uses a clear, understandable method of comparing projects in order to prioritise expenditure and continue to allow schemes to be ranked according to Council’s need, while ensuring the best allocation of the Council scarce resources in the most efficient/sustainable way and thus ensuing value for money.

9.2 Therefore, it is important that there is a strict definition of what is included within the scheme. Demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council and rolling programme items are the first call on available resources to ensure that existing approved service levels can continue to be delivered. New resource development bids will need to be prioritised as follows:

Projects Prioritisation for Capital Programme Inclusion	
Priority 1	Projects which enable compliance with Health & Safety and the Council's legal/statutory duties including projects which address any infrastructure deficits related to statutory compliance.
Priority 2	Projects that generate revenue savings through the delivery of a new business strategy or service transformation proposals or invest to save and cost avoidance.
Priority 3	Projects where a major proportion of the capital funding from external sources will be lost if the project fails to go ahead but subject to consideration of future revenue requirements.
Priority 4	Projects that contribute to the delivery of a smaller property portfolio through increased co-location or space utilisation or adaptation of new ways of working.
Priority 5	Projects that facilitate improvement, economic development, regeneration and housing growth
Priority 6	Projects that address cross-cutting issues, facilitate joint-working with partners or generate new/additional income.

9.3 The Council's financial and service planning process need to ensure decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach. The funding of capital schemes is via the following hierarchy:

- External grants and contributions;
- Capital receipts from the disposal of fixed assets;
- Leasing finance; (where applicable);
- Revenue contributions;
- External Borrowing.

9.4 The strategy will be to employ 'Whole Life Costing' that will demonstrate the systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset, i.e., encourages decision-making that takes account of the initial capital cost, running cost, maintenance cost, refurbishment requirements and disposal cost.

10. Knowledge and Skills

10.1 Officers

10.1.1 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).

10.1.2 The Council also has a separate Housing team that is responsible for overseeing social housing developments within the District.

10.2 External Advisors

10.2.1 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 Link Asset Services as advisers, and the Asset Management team will commission 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.

10.3 Councillors

10.3.1 May 2023 is the next date for district council elections. Duly elected councillors will receive training appropriate to their role in the new Council.

10.3.2 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 advisors (Link Asset Services).

11. CFO Statement on the Capital Strategy

11.1 Prudential Code

11.1.1 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".

11.1.2 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.

11.2 Affordability

11.2.1 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 2023/24 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 2023/24) 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.

11.3 Risk

11.3.1 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 the Treasury Management Strategy for 2021/22, at the Lewes District Council – Full Council meeting on 22 February 2021, 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 2021/22, at the Council meeting on 22 February 2021, 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 its 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").

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Report to:	Cabinet
Date:	4 February 2021
Title:	Annual Review of Fees and Charges
Report of:	Homira Javadi, Chief Finance Officer
Cabinet member:	Councillor Zoe Nicholson, Cabinet Member Holder for Finance and Assets
Ward(s):	All
Purpose of report:	To propose the schedule of Fees and Charges to apply from 1 April 2021.
Decision type:	Key Decision
Officer recommendation(s):	(1) To approve the scale of Fees and Charges proposed within Appendix 1 to apply from 1 April 2021. (2) To implement changes to statutory fees and charges for services shown within Appendix 1 as and when notified by Government.
Reasons for recommendations:	The Council's Constitution requires that all fees and charges, including nil charges, be reviewed at least annually and agreed by Cabinet.
Contact Officer(s):	Name: Andrew Clarke Post title: Deputy Chief Finance Officer E-mail: Andrew.clarke@lewes-eastbourne.gov.uk Telephone number: 01323 415691

1 Introduction

- 1.1 The Covid-19 pandemic has had a huge impact upon fees and charges income throughout 2020/21. During lockdown many sources of fees and charges income either stopped completely or were drastically cut to minimal levels. However, compensation for loss of income has partially been recompensed by the Government, and will continue to do so until the end of June 2021. Based on this, and taking into account the vaccination programme, budgets have been set based on a return to normality during 2021/22.
- 1.2 Following a systematic review in light of an Audit Commission report entitled 'Positively Charged' Cabinet approved guiding principles for setting fees and charges. A copy is included in Background Papers.

1.3 The guiding principle and the recommended actions arising from the systematic review of services have been applied in reviewing and proposing a scale of fees and charges to apply from 1 April 2021.

2 Fees and Charges Proposals to apply from 1 April 2021

2.1 Fees and Charges are reviewed by Cabinet at least once each year, principally during the winter prior to the next financial year. This enables Cabinet’s decision to be incorporated in the coming budget cycle. Cabinet is not restricted to an annual review; it can conduct further reviews at any time in the year with implementation of decisions from any point in the year

2.2 As in previous years all of the fees and charges are covered, so far as is practicable, within a single report. In this way Cabinet is able to consider all of the fees and charges which apply to the Council's services as an overall package. There is only one exception to this and that is licensing fees which are excluded from this report because they are set by the Licensing Committee.

2.3 Cabinet will be aware that fees and charges applicable at the Council-owned indoor leisure facilities and at Newhaven Fort are set by Wave Leisure under the terms of the management agreements it has with the Council.

2.4 Within Appendix 1 to this report there are some significant services, with significant income estimates, where the Council has discretion to set the level of fees and charges. These are summarised below between those services where changes are proposed and those services where no changes are proposed

2.5 In addition Appendix 1 includes those services where fees are statutory and where any changes can only be made by Government.

3 Services where changes to fees and charges are proposed.

Service	Tourism
Appendix ref	lines 71 to 79
Reason for change	Review of fees and charges to cover increase in costs.
Financial impact	Fees and Charges have increased in line with increased costs but these will have limited impact upon the amount of fee income collected therefore the income budget will remain at £18,000.

Service	Building Control
Appendix ref	lines 210 to 234
Reason for change	The new fees will help to ensure Building Control income remains strong for 2021/22 however due to Covid-19 it is difficult to predict levels of construction activity from April onwards.
Financial impact	Income Budget for 2021/22 to remain at £281,500 due to a potential reduction in volume.

Service	Allotments
Appendix ref	lines 324 to 325
Reason for change	An increase of £3 per plot is proposed in order to maintain value.
Financial impact	The income budget has increased slightly to £1,050.

Service	Cemeteries
Appendix ref	lines 327 to 348
Reason for change	The Council's policy is to maintain its charges within the upper quartile of local authority burial charges. The proposed increases are intended to maintain the Council's position.
Financial Impact	The 2021/22 budget will increase to £145,250. An increase of £4,250.

Service	Parks and Open Spaces
Appendix ref	lines 350 to 403
Reason for change	To maintain recovery of a fair share of the costs of providing services.
Financial impact	The 2021/22 budget will become £55,300 an increase of £1,600.

Service	Waste Collection (excluding Commercial Trade Waste)
Appendix ref	lines 405 to 449
Reason for change	Delegated authority was previously given to the Director of Service Delivery, in consultation with the Portfolio holder for Waste and Recycling, to vary commercial trade waste charges upwards or downwards by up to 10% in order to respond to developing market conditions.
Financial impact	The 2021/22 budget will become £598,300 an increase of £151,800. The increase is mainly in respect of Green Waste which has seen an increased take up in the service.

4 Services where no changes to fee and charges are proposed

4.1

Service	Car Parks
Appendix ref	lines 1 to 33
Reason for no change	Cabinet agreed the current pricing tariff in January 2018 to apply from 1 April 2018. This was consistent with the principle established by Cabinet that future increases would be based on inflation and implemented only when accumulated inflation increased fees to easily collectable amounts.
Financial impact	The income budget will remain at £1,002,000

Service	Electric Vehicle Chargers
Appendix ref	lines 35 to 37
Reason for no change	Usage of this service continues to grow and officers believe that leaving the current pricing structure in place for another year will encourage further growth.
Financial impact	The income budget will remain at £4,000.

Service	Lewes House
Appendix ref	lines 39 to 57
Reason for no change	The offer of rooms and garden for events like wedding receptions is operating in a competitive environment. Officers judge that the current level of fees remains at the right level to maintain a share of that market.
Financial impact	The income budget will remain at £10,000.

Service	Arts Development
Appendix ref	lines 59 to 69
Reason for no change	Fees and charges have been reviewed and no increases have been proposed
Financial impact	The income budget will remain at £28,000.

Service	Animal Wardens
Appendix ref	lines 81 to 86 (Excluding line 83)
Reason for no change	Very limited activity to justify change.
Financial impact	No income budget is set for this service because of the uncertainty around volumes and the very low levels of income generated.

Service	Public Health
Appendix ref	lines 102 and 103
Reason for no change	Currently not available or limited activity to justify change.
Financial impact	No income budget is set for this discretionary service because of the uncertainty around volumes and the very low levels of income generated.

Service	Private Sector Housing
Appendix ref	lines 130 to 208
Reason for no change	Fees will continue to be set in line with officer costs.
Financial impact	The income budget for Houses in Multiple Occupation has been increased to £5,000 for 2021/22. This is due to an increase in volume. The income budget for Mobile Homes will remain at £1,000.

Service	Recycling - Section 106 Developers' Contributions
Appendix ref	lines 261 to 262
Reason for no change	A charge is made solely to maintain recovery of a fair share of the costs of providing the service.
Financial impact	No income budget is set because of the uncertainty around volumes and timing as well as the relatively low levels of income generated.

Service	Planning Services
Appendix ref	lines 264 to 307
Reason for no change	Officers judge that the current fees remain at the appropriate levels for the services on offer.
Financial impact	Income budget for 2021/22 will remain at £30,000

Service	Street Naming and Numbering
Appendix ref	lines 309 to 322
Reason for no change	Fees and Charges have been reviewed so that they remain appropriate for the services on offer.
Financial impact	The 2021/22 budget will remain at £12,500

Service	Council Tax and Business Rates Summons income
Appendix ref	lines 451 to 454
Reason for no change	Because both this Council and Wealden Council use the same court the policy has been to keep our fees in line. Therefore no changes are proposed at this time.
Financial impact	Income budget for 2021/22 will remain at £210,000

Service	Legal Services
Appendix ref	lines 456 to 469
Reason for no change	Maintains recovery of costs and positioning with other local authorities.
Financial impact	Supports the viability of the shared legal service.

Service	Estate Surveyor Services
Appendix ref	lines 471 to 478
Reason for no change	These charges are complimentary to those already charged by Legal Services and are similar in nature to those which commercial lessees might expect to pay in the private sector.
Financial impact	The income budget will remain at £15,000.

Service	Land Charges
Appendix ref	Lines 480 to 486
Reason for no change	A review of the current levels of fees and the current volume of activity suggests that charges remain appropriate to recover costs as permitted by Government regulation.
Financial impact	The income budget will remain at £125,000.

5 Services where statutory fees and charges apply

5.1 The current level of fees and charges will continue to apply until such time as the Council is notified by Government of changes. Such changes will be implemented in accordance with the relevant statutory notices.

5.2

Service	Animal Wardens
Appendix ref	line 82
Financial impact	No budget for 2021/22 is proposed because of the very low levels of income generated from this service

Service	Port Health
Appendix ref	lines 88 to 99
Financial impact	Income budget for 2021/22 will remain at £2,000.

Service	Public Health
Appendix ref	lines 101 to 128 (excluding lines 102 and 103)
Financial impact	The income budget will remain at £4,000.

Service	Development Control
Appendix ref	lines 236 to 253
Financial impact	Income budget for 2021/22 will remain at £429,000

Service	Community Infrastructure Levy (CIL)
Appendix ref	lines 255 to 259
Financial impact	The Charging Schedule implemented on 1 December 2015 under The Community Infrastructure Levy Regulations 2010 remains appropriate and provides the baseline for the levy. CIL regulations require that fees are uplifted annually in line with the change in a national price index. This change is applied each year once the index data becomes available.

Service	Register of Electors
Appendix ref	lines 488 to 503
Financial impact	The income budget will increase to £1,500 due to an increase in volume.

6 Financial appraisal

6.1 The effect of the proposed increases in fees and charges, which also takes into account variations in demand, is set out at service level below:

	2020/21 income estimate £	Financial impact of: change in usage		change in fees £	2021/22 income forecast £
Car Parking	1,002,000	0	0	0	1,002,000
Electric Vehicle Charges	4,000	0	0	0	4,000
Lewes House	10,000	0	0	0	10,000
Arts Development	28,000	0	0	0	28,000
Tourism	18,000	0	0	0	18,000
Private Sector Housing	1,000	4,000	0	0	5,000
Mobile Homes	1,000	0	0	0	1,000
Building Control	281,500	0	0	0	281,500
Planning Services	30,000	0	0	0	30,000
Street Naming and Numbering	12,500	0	0	0	12,500
Allotments	1,000	0	0	50	1,050
Cemeteries	141,000	0	0	4,250	145,250

Parks and Open Spaces	53,700	0	1,600	55,300
Waste Collection	446,500	151,800	0	598,300
Council Tax and Business Rates	210,000	0	0	210,000
Legal Services	24,100	0	0	24,100
Estate Surveyor Services	15,000	0	0	15,000
Land Charges	125,000	0	0	125,000
Register of Electors	1,000	500	0	1,500
Discretionary fees – set by LDC	2,405,300	156,300	5,900	2,567,500
Port Health	2,000	0	0	2,000
Public Health	2,000	0	0	2,000
Development Control	429,000	0	0	429,000
Statutory fees – set by Government	433,000	0	0	433,000
Total income estimates	2,838,300	156,300	5,900	3,000,500

6.2 If Cabinet chooses to amend the proposed charges the impact will be reflected in the final budget report to be presented to Cabinet on 4 February 2021.

6.3 The increase in income from usage together with the increase in income from fees will add an additional £162,200 to the income estimates for 2021/22.

7 Legal implications

7.1 There are no legal implications arising directly from this report.

8 Risk management implications

8.1 The recommendations of this report are not significant in terms of risk. However, there is a possibility that forecast income for demand led services may be adversely affected by economic factors outside of the council's control.

9 Equality analysis

9.1 An Equalities and Fairness Impact Assessment has been undertaken and made available to the equality checking group. The assessment indicates that the proposed changes to fees and charges set out in this report are unlikely to have any significant impact on equalities and fairness. All changes are in line with the Guiding Principles for setting fees and charges previously agreed by Cabinet.

10 Appendices

10.1 Appendix 1 – Fees and Charges proposals 2021/22

11 Background papers

- 11.1 The background papers used in compiling this report were as follows:
- 11.2 [Guiding principles for setting fees and charges](#)
- 11.3 Equalities and Fairness Impact Assessment.

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Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity			2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
1	CAR PARKING (OFF STREET)					
2						
3	Central Lewes - short stay	up to 30 mins	0.60	0.60	i	0.00
4		up to 1 hour	0.80	0.80	i	0.00
5		up to 2 hours	1.80	1.80	i	0.00
6						
7	Central Lewes - medium stay	up to 1 hour	0.80	0.80	i	0.00
8		up to 2 hours	1.70	1.70	i	0.00
9		up to 3 hours	2.60	2.60	i	0.00
10		up to 4 hours	3.50	3.50	i	0.00
11						
12	Outer Lewes - long stay	up to 1 hour	0.70	0.70	i	0.00
13		up to 2 hours	1.40	1.40	i	0.00
14		up to 3 hours	2.20	2.20	i	0.00
15		up to 4 hours	2.90	2.90	i	0.00
16		over 4 hours	4.10	4.10	i	0.00
17						
18	Brook Street, Lewes	all day	1.90	1.90	i	0.00
19						
20	Newhaven and Seaford (including multi-storey)	up to 30 mins	0.60	0.60	i	0.00
21		up to 1 hour	0.80	0.80	i	0.00
22		up to 2 hours	1.10	1.10	i	0.00
23		up to 3 hours	1.30	1.30	i	0.00
24		up to 4 hours	1.80	1.80	i	0.00
25		over 4 hours	2.20	2.20	i	0.00
26						
27	All Sites					
28	Commercial vendors	per day (sliding scale)	£0 - £501	£0 - £501	e	0.00
29						
30	All Sites					
31	Infringement of Parking Order	Penalty Charge Notices	50.00	50.00	e	0.00
32		- if paid in 14 days	25.00	25.00	e	0.00
33	Total Estimated Income (Car Parking)		1,002,000	1,002,000		0.00
34						
35	ELECTRIC VEHICLE CHARGERS	for the first 10 minutes	3.50	3.50	i	0.00
36		per minute thereafter	0.25	0.25	i	0.00
37	Total Estimated Income (Electric Vehicle Chargers)		4,000	4,000		0.00
38						
39	LEWES HOUSE					
40	<i>Venue Hire (minimum 2 hours Monday to Friday from 9am to 6pm)</i>					
41	Garden Room and Garden - up to 100 people	per hour	75.00	75.00	e	0.00
42	Garden Room only - up to 30 people (November to March)	per hour	40.00	40.00	e	0.00
43	Warren Room - up to 50 people	per hour	55.00	55.00	e	0.00
44	Business Room - up to 40 people	per hour	40.00	40.00	e	0.00
45	Plus surcharge from 6pm to 11pm	per hour	15.00	15.00	e	0.00
46	Weekend surcharge	one-off fee	30.00	30.00	e	0.00
47						

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
48	Exhibition Rate (minimum 2 days Monday to Sunday 9am to 6pm)				
49	Warren Room per day	100.00	100.00	e	0.00
50	Business Room per day	100.00	100.00	e	0.00
51	Warren Room and Business Room per day	150.00	150.00	e	0.00
52	Complete Suite excluding garden per day	200.00	200.00	e	0.00
53	Plus surcharge from 6pm to 11pm per hour	15.00	15.00	e	0.00
54	Weekend surcharge per day	30.00	30.00	e	0.00
55					
56	Charges for other arrangements by application and negotiation				
57	Total Estimated Income (Lewes House Venue Hire)	10,000	10,000		0.00
58					
59	ARTS DEVELOPMENT				
60	Artwave Artist Advert (Single)	85.00	85.00	s	0.00
61	Artwave Artist Advert (Double)	170.00	170.00	s	0.00
62	Artwave Artist Advert (Full Page)	400.00	400.00	s	0.00
63	Artwave Business Advert (Single)	105.00	105.00	s	0.00
64	Artwave Business Advert (Double)	210.00	210.00	s	0.00
65	Artwave Business Advert (Full Page)	500.00	500.00	s	0.00
66	Artwave Charity/School Advert (Single)	65.00	65.00	s	0.00
67	Artwave Charity/School Advert (Double)	130.00	130.00	s	0.00
68	Artwave Charity/School Advert (Full Page)	300.00	300.00	s	0.00
69	Total Estimated Income (Arts Development)	28,000	28,000		0.00
70					
71	TOURISM				
72	Visit Lewes Silver Member	99.00	99.00	s	0.00
73	Visit Lewes Gold Member	149.00	149.00	s	0.00
74	Gin & Fizz Exhibitor Fee	60.00	60.00	s	0.00
75	Gin & Fizz Hot Food Traders Fee	150.00	175.00	s	25.00
75	Gin & Fizz Other Food Traders Fee	120.00	140.00	s	20.00
76	Gin & Fizz Other Food - 1 Session only	85.00	85.00	s	0.00
76	Gin & Fizz Bar Traders Fee	150.00	175.00	s	25.00
77	Gin & Fizz Bar - 1 Session only	90.00	90.00	s	0.00
78	Gin & Fizz Programme Ad	100.00	100.00	s	0.00
79	Total Estimated Income (Tourism)	18,000	18,000		0.00
80					
81	ANIMAL WARDENS				
82	Statutory Charge per stray dog	30.00	30.00	e	0.00
83	Seizure Charge per stray dog In addition to statutory charge	30.00	30.00	i	0.00
84	Return of Dog	45.00	45.00	i	0.00
85	Kennelling per day	25.00	25.00	i	0.00
86	Total Estimated Income (Animal Wardens)	0	0		0.00
87					
88	PORT HEALTH				
89	Ship Sanitation Certificates (Statutory Fee)				
90	Ships up to 1000 gross tonnage	100.00	100.00	e	0.00
91	Ships 1001 to 3000 gross tonnage	135.00	135.00	e	0.00
91	Ships 3001 to 10000 gross tonnage	205.00	205.00	e	0.00
92	Ships 10001 to 20000 gross tonnage	265.00	265.00	e	0.00

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021	2021/2022		Increase	
		Current charge	Proposed charge		£pence	
		£pence	£pence	VAT		
93	Ships 20001 to 30000 gross tonnage	340.00	340.00	e	0.00	
94	Ships > 30001 gross tonnage	400.00	400.00	e	0.00	
95	Vessels with 50 - 1000 persons	400.00	400.00	e	0.00	
96	Vessels with more than 1000 persons	680.00	680.00	e	0.00	
97	Extensions	70.00	70.00	e	0.00	
98	Additional sampling costs	80.00	80.00	e	0.00	
99	Total Estimated Income (Port Health)	2,000	2,000		0.00	
100						
101	PUBLIC HEALTH					
102	Food Hygiene Courses	Currently not available	n/a	s	0.00	
103	Private Water Supplies		Cost	s		
104	Environmental Protection Act- Schedule B Processes.	Statutory Fee				
105	Initial Application	1,650.00	1,650.00	e	0.00	
106	Additional fee for operating without a permit	1,188.00	1,188.00	e	0.00	
107	For a combined Part B and waste application add an extra £104 (Low), £156 (Med), £207 (High).					
108	Where subject to reporting under PRTR add extra £104 to amount.					
109	Annual Charge: Standard Process LOW	Statutory Fee	772.00	772.00	e	0.00
110	Standard Process MEDIUM	Statutory Fee	1,161.00	1,161.00	e	0.00
111	Standard Process HIGH	Statutory Fee	1,747.00	1,747.00	e	0.00
112	PVRI, and Dry Cleaners LOW	Statutory Fee	79.00	79.00	e	0.00
113	PVRI and Dry Cleaners MEDIUM	Statutory Fee	158.00	158.00	e	0.00
114	PVRI and Dry Cleaners HIGH	Statutory Fee	237.00	237.00	e	0.00
115	PVR I & II combined LOW	Statutory Fee	113.00	113.00	e	0.00
116	PVR I & II combined MEDIUM	Statutory Fee	226.00	226.00	e	0.00
117	PVR I & II combined HIGH	Statutory Fee	341.00	341.00	e	0.00
118	VRs and other Reduced Fees LOW	Statutory Fee	228.00	228.00	e	0.00
119	VRs and other Reduced Fees MEDIUM	Statutory Fee	365.00	365.00	e	0.00
120	VRs and other Reduced Fees HIGH	Statutory Fee	548.00	548.00	e	0.00
121	Mobile plant, for first and second permits LOW	Statutory Fee	626.00	626.00	e	0.00
122	Mobile plant, for first and second permits MEDIUM	Statutory Fee	1,034.00	1,034.00	e	0.00
123	Mobile plant, for first and second permits HIGH	Statutory Fee	1,551.00	1,551.00	e	0.00
124	A2 Processes Application	Statutory Fee	3,363.00	3,363.00	e	0.00
125	A2 Processes Annual subsistence fee LOW	Statutory Fee	1,447.00	1,447.00	e	0.00
126	A2 Processes Annual subsistence fee MEDIUM	Statutory Fee	1,611.00	1,611.00	e	0.00
127	A2 Processes Annual subsistence fee HIGH	Statutory Fee	2,334.00	2,334.00	e	0.00
128	Total Estimated Income (Public Health)	2,000	2,000		0.00	
129						
130	PRIVATE SECTOR HOUSING					
131	Houses in Multiple Occupation					
132	<i>Initial fees</i>					
133	Shared House					
134	5 Persons	848	848	e	0.00	
135	6 Persons	861	861	e	0.00	
136	7 Persons	875	875	e	0.00	
137	8 Persons	888	888	e	0.00	
138	9 Persons	902	902	e	0.00	
139						
140	Bedsit Type of Accomodation					

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
141	2 Bedsits	955	955	e	0.00
142	3 Bedsits	1,009	1,009	e	0.00
143	4 Bedsits	1,063	1,063	e	0.00
144	5 Bedsits	1,116	1,116	e	0.00
145	6 Bedsits	1,170	1,170	e	0.00
146					
147	Hostel Type Accomodation				
148	Up to 10 Persons	848	848	e	0.00
149	11 to 20 Persons	1,116	1,116	e	0.00
150	21 to 40 Persons	1,385	1,385	e	0.00
151	41 to 60 Persons	1,653	1,653	e	0.00
152	61 to 80 Persons	1,922	1,922	e	0.00
153	More than 81 Persons	2,190	2,190	e	0.00
154					
155	<i>Renewal fees</i>				
156	Shared House				
157	5 Persons	595	595	e	0.00
158	6 Persons	606	606	e	0.00
159	7 Persons	617	617	e	0.00
160	8 Persons	628	628	e	0.00
161	9 Persons	639	639	e	0.00
162					
163	Bedsit Type of Accomodation				
164	2 Bedsits	682	682	e	0.00
165	3 Bedsits	726	726	e	0.00
166	4 Bedsits	769	769	e	0.00
167	5 Bedsits	812	812	e	0.00
168	6 Bedsits	856	856	e	0.00
169					
170	Hostel Type Accomodation				
171	Up to 10 Persons	595	595	e	0.00
172	11 to 20 Persons	812	812	e	0.00
173	21 to 40 Persons	1,030	1,030	e	0.00
174	41 to 60 Persons	1,247	1,247	e	0.00
175	61 to 80 Persons	1,464	1,464	e	0.00
176	More than 81 Persons	1,681	1,681	e	0.00
177	Total Estimated Income (Houses in Multiple Occupation)	1,000	5,000		4,000.00
178					
179	Mobile Homes Act 2013				
180	New Application Fee				
181	Band A 2-5 units	175	175	e	0.00
182	Band B 6-24 units	234	234	e	0.00
183	Band C 25-99 units	269	269	e	0.00
184	Band D 100+ units	316	316	e	0.00
185	Band E single unit at family site	100	100	e	0.00
186					
187	Transfer of site license				
188	Band A 2-5 units	69	69	e	0.00
189	Band B 6-24 units	69	69	e	0.00

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
190	Band C 25-99 units	69	69	e	0.00
191	Band D 100+ units	69	69	e	0.00
192	Band E single unit at family site	25	25	e	0.00
193					
194	Variation of site license				
195	Band A 2-5 units	104	104	e	0.00
196	Band B 6-24 units	104	104	e	0.00
197	Band C 25-99 units	104	104	e	0.00
198	Band D 100+ units	104	104	e	0.00
199	Band E single unit at family site	50	50	e	0.00
200					
201	Annual Fee				
202	Band A	117	117	e	0.00
203	Band B	139	139	e	0.00
204	Band C	172	172	e	0.00
205	Band D	211	211	e	0.00
206	Band E	0	0	e	0.00
207	Deposit of park rules with LA (not applicable to single unit)			e	0.00
208	Total Estimated Income (Mobile Homes Act 2013)	1,000	1,000		0.00
209					
210	BUILDING CONTROL (Building Regulations)		Effective 1st		
211			Jan-21		
212					
213					
214	Dwelling-houses and Flats not exceeding 250m2 or more than 3 storeys:				
215	1 dwelling-house				
	Plan charge	250.00	280.00	s	30.00
216	Inspection charge	490.00	510.00	s	20.00
217	Building Notice charge	810.00	850.00	s	40.00
218					
219	2 dwelling-houses				
	Plan charge	340.00	380.00	s	40.00
220	Inspection charge	650.00	680.00	s	30.00
221	Building Notice charge	1,150.00	1,190.00	s	40.00
222					
223	3 dwelling-houses				
	Plan charge	420.00	450.00	s	30.00
224	Inspection charge	860.00	890.00	s	30.00
225	Building Notice charge	1,350.00	1,460.00	s	110.00
226					
227	2 flats				
	Plan charge	340.00	360.00	s	20.00
228	Inspection charge	580.00	650.00	s	70.00
229	Building Notice charge	950.00	1,120.00	s	170.00
230					
231	3 flats				
	Plan charge	420.00	450.00	s	30.00
232	Inspection charge	650.00	850.00	s	200.00
233	Building Notice charge	1,150.00	1,350.00	s	200.00
234	Total Estimated Income (Building Control)	281,500	281,500		0.00
235					
236	DEVELOPMENT CONTROL (Planning applications)				
237	Statutory fees				

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence	
238						
239	New dwellings	Outline application (per 0.1ha)	385.00	385.00	e	0.00
240		Outline application (max.for 2.5ha)	9,527.00	9,527.00	e	0.00
241		Outline application (per 0.1ha over 2.5)	115.00	115.00	e	0.00
242		Outline application (maximum fee)	125,000.00	125,000.00	e	0.00
243						
244		Full application (per dwelling unit)	385.00	385.00	e	0.00
245		Full application (max. for 50 dwellings)	19,049.00	19,049.00	e	0.00
246		Full application (per dwelling over 50)	115.00	115.00	e	0.00
247		Full application (maximum fee)	250,000.00	250,000.00	e	0.00
248						
249		Reserved matters (per dwelling unit)	385.00	385.00	e	0.00
250		Reserved matters (max.for 50 dwellings)	19,049.00	19,049.00	e	0.00
251		Reserved matters (per dwelling <50)	115.00	115.00	e	0.00
252		Reserved matters (maximum fee)	250,000.00	250,000.00	e	0.00
253	Total Estimated Income (Development Control)		429,000	429,000		0.00
254						
255	COMMUNITY INFRASTRUCTURE LEVY (CIL)	<u>Regulations specify that fees are subject to annual indexation</u>				
256	Residential Development	Low Zone (South of the South Downs National Park) per m ²	115.61	115.61	e	0.00
257		High Zone (North of the South Downs National Park) per m ²	192.69	192.69	e	0.00
258						
259	Retail Development	per m ²	128.46	128.46	e	0.00
260						
261	SECTION 106 DEVELOPER CONTRIBUTIONS					
262	Recycling	Kerbside per dwelling	19.00	19.00	e	0.00
263						
264	PLANNING SERVICES					
265	Planning research for third parties	per hour	50.00	50.00	s	0.00
266	Compliance checks for planning applications	Householder application - per hour	27.00	27.00	e	0.00
267		Non-householder application - per hour	92.00	92.00	e	0.00
268	Pre-application service (in the Lewes district except the SDNP area)					
269	- large scale major applications	up to 6 meetings	3,600.00	3,600.00	s	0.00
270		per additional meeting	500.00	500.00	s	0.00
271	- medium scale major applications	up to 4 meetings	1,800.00	1,800.00	s	0.00
272		per additional meeting	360.00	360.00	s	0.00
273	- small scale major applications	up to 2 meetings	900.00	900.00	s	0.00
274		per additional meeting	200.00	200.00	s	0.00
275	- minor applications	up to 2 meetings	450.00	450.00	s	0.00
276		per additional meeting	120.00	120.00	s	0.00
277	- small minor applications	initial meeting	250.00	250.00	s	0.00
278		per additional meeting	60.00	60.00	s	0.00
279	- residential schemes for 1-2 dwellings	initial meeting	150.00	150.00	s	0.00
280		per additional meeting	60.00	60.00	s	0.00
281	- telecommunications, change of use, renewable energy	initial meeting	75.00	75.00	s	0.00

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence	
282		per additional meeting	60.00	60.00	s	0.00
283	- householder schemes	written advice and site visits	12.50	12.50	s	0.00
284	- listed building schemes	written advice and site visits	12.50	12.50	s	0.00
285	Publications	e.g. Local Plan	50.00	50.00	e	0.00
286		e.g. Local Plan on Cdrom	15.00	15.00	e	0.00
287		Emerging Core Strategy	12.00	12.00	e	0.00
288	Document search and retrieval	per document	0.60	0.60	s	0.00
289	Electronic copy of document	Building Control document	55.00	55.00	s	0.00
290		Planning legal document	12.50	12.50	s	0.00
291	Standard copying charges	Minimum charge for 3 pages	1.20	1.20	s	0.00
292		A4 size per page	0.10	0.10	s	0.00
293		A3 size per page	0.20	0.20	s	0.00
294		A2 size per page	1.80	1.80	s	0.00
295		A1 size per page	2.40	2.40	s	0.00
296		A0 size per page	3.00	3.00	s	0.00
297	Colour copying charges	A4 size per page	1.25	1.25	s	0.00
298		A3 size per page	2.50	2.50	s	0.00
299		A2 size per page	6.00	6.00	s	0.00
300		A1 size per page	12.00	12.00	s	0.00
301		A0 size per page	18.00	18.00	s	0.00
302	Services for Solicitors:	priority service	12.50	12.50	s	0.00
303		Compliance checks for Enforcement (per site)	50.00	50.00	e	0.00
304		Building Control file retrieval fee	50.00	50.00	s	0.00
305		Compliance checks for Building Control (per site)	75.00	75.00	s	0.00
306		Building Control database information - where reference quoted	5.00	5.00	s	0.00
307	Total Estimated Income (Planning)		30,000	30,000		0.00
308						
309	STREET NAMING AND NUMBERING					
310	New individual property	per application	50.00	50.00	e	0.00
311	New Development or Re-development	per plot/unit	50.00	50.00	e	0.00
312	New Development or Re-development (3-10 New Addresses)	per application	150.00	150.00	e	0.00
313	New Development or Re-development (11-19 New Addresses)	per application	250.00	250.00	e	0.00
314	New Development or Re-development (20+ New Addresses)	per application	350.00	350.00	e	0.00
315	Change of House Name or Commercial Property Name	per application	50.00	50.00	e	0.00
316	Change of Building Name (eg block of flats)	per application	100.00	100.00	e	0.00
317	Street Renaming	per application	200.00	200.00	e	0.00
318		plus per property	25.00	25.00	e	0.00
319	Alterations to SNN Scheme after SNN confirmation	per application	350.00	350.00	e	0.00
320		per plot/unit	25.00	25.00	e	0.00
321	Confirmation of postal address to solicitors or conveyancers		25.00	25.00	e	0.00
322	Total Estimated Income (Street Naming and Numbering)		12,500	12,500		0.00
323						
324	ALLOTMENTS					
325	Total Estimated Income (Allotments)	per year per plot (253 square metres)	70.00	73.00	e	3.00
326			1,000	1,050		50.00
327	CEMETERIES					
328	Internment	1.83m (equivalent to 6 feet)	896.00	925.00	e	29.00

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021	2021/2022		Increase
		Current charge	Proposed charge		£pence
		£pence	£pence	VAT	
329	2.29m (equivalent to 7 feet 6 inches)	1,185.00	1,220.00	e	35.00
330	2.74m (equivalent to 9 feet)	1,575.00	1,622.00	e	47.00
331	cremated remains	270.00	280.00	e	10.00
332	stillborn child (under 1 month)	free	free		n/a
333	child (under 12 years)	free	free		n/a
334	in existing vault	actual cost	actual cost	e	n/a
335	Interred ashes in Garden of Rest	267.80	276.00	e	8.20
336	Purchase of Burial Rights	1,135.00	1,169.00	e	34.00
337	ordinary 50 years	1,165.00	1,199.00	e	34.00
338	Designated child space	50 years	free	e	n/a
339	Garden of Rest	300.00	310.00	e	10.00
340	Right to erect/place on grave or vault				
341	Headstone	216.00	223.00	e	7.00
342	Kerbstone or Border	268.00	276.00	e	8.00
343	Flatstone or Wall Tablet	216.00	222.00	e	6.00
344	Chapel	103.00	106.00	e	3.00
345	Searches	95.00	98.00	i	3.00
346	Transfer of Grant Ownership	31.00	32.00	i	1.00
347	Exhumation	73.00	75.00	e	2.00
348	Total Estimated Income (Cemeteries)	141,000	145,250		4,250.00
349					
350	PARKS AND OPEN SPACES				
351	Hire of Sports Pitches				
352	- Football and Rugby				
353	per game or session				
354	adult rate	67.00	70.00	s	3.00
355	adult training rate	33.00	34.00	s	1.00
356	juniors rate	33.00	34.00	s	1.00
357	juniors training rate	17.00	18.00	s	1.00
358	Malling				
359	adult rate	48.00	50.00	s	2.00
360	adult training rate	22.00	25.00	s	3.00
361	juniors rate	22.00	25.00	s	3.00
362	juniors training rate	11.00	12.00	s	1.00
363	Telscombe minis	11.00	12.00	s	1.00
364	Changing rooms only	36.00	38.00	s	2.00
365					
366	- Cricket				
367	grass day rate	70.00	75.00	s	5.00
368	grass evening rate	31.00	32.00	s	1.00
369	grass juniors rate	36.00	38.00	s	2.00
370					
371	artificial day rate	54.00	56.00	s	2.00
372	artificial evening rate	24.00	25.00	s	1.00
373	artificial juniors rate	27.00	28.00	s	1.00
374					
375	changing rooms only	39.00	41.00	s	2.00
376					
377	- Stoolball				
	day rate	48.00	50.00	s	2.00

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity			2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
378		evening rate	25.00	27.00	s	2.00
379						
380	- Bowling	season ticket				
381		- adult	119.00	122.00	s	3.00
382		- junior	60.00	62.00	s	2.00
383		- concessions	80.00	82.00	s	2.00
384						
385		per hour per person				
386		- adult	3.00	3.50	s	0.50
387		- juniors and concessions	2.00	2.50	s	0.50
388						
389		visiting teams per rink	15.00	16.00	s	1.00
390						
391	- Croquet	croquet field	18.00	20.00	s	2.00
392						
393	Hire of Open Spaces					
394	- Commercial Organisations	small event - per day	690.00	710.00	e	20.00
395		small event - half day (maximum 4 hours)	345.00	355.00	e	10.00
396		medium event - per day	1,290.00	1,328.00	e	38.00
397		medium event - half day (maximum 4 hours)	645.00	665.00	e	20.00
398		large event - per day	negotiable	negotiable	e	n/a
399		Fitness / Exercise classes per hour (4+ persons)	57.00	57.00	e	0.00
400	- Not For Profit Organisations (per day)	Within District - up to 100% discount	free	free		0.00
401		Outside District - discounts from 0% - 50% on commercial fees shown above				
402		Abseil events - Charity fundraising	free	free		0.00
403	Total Estimated Income (Parks & Open Spaces)		53,700	55,300		1,600.00
404						
405	WASTE COLLECTION					
406	<u>Domestic</u>					
407	Bulky waste	5 items or 10 bags	50.00	55.00	e	5.00
408		10 items or 20 bags	75.00	85.00	e	10.00
409						
410	Fridges and freezers		35.00	40.00	e	5.00
411						
412	All other domestic charges by application					
413						
414	<u>Prescribed household</u>					
415	Clinical waste	in multiples of 10 bags and labels	35.00	35.00	s	0.00
416						
417	<u>Other</u>					
418	Dog bin emptying	on street collections (per bin)				
419	- single compartment dog waste		6.00	6.00	s	0.00
420	- single compartment litter and dog waste		1.74	1.74	s	0.00
421	- separate compartments litter and dog waste		3.48	3.48	s	0.00
422	- single compartment litter		1.75	1.75	s	0.00
423						
424	- single compartment dog waste	on street purchase (per bin)	249.99	278.98	s	28.99

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Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
425	- single compartment litter	249.99	468.00	s	218.01
426	- single compartment litter and dog waste	249.99	468.00	s	218.01
427					
428	- single compartment dog waste	80.00	45.00	s	-35.00
429	- single compartment litter	80.00	45.00	s	-35.00
430	- single compartment litter and dog waste	80.00	45.00	s	-35.00
431	Black sacks cat / dog litter	57.60	57.60	s	0.00
432	Box of refuse bags (360)	32.50	32.50	s	0.00
433	Box of refuse bags (1000)	58.50	58.50	s	0.00
434	Sharps 1-4 buckets each	12.95	12.95	s	0.00
435	Sharps 5 (large)	38.75	38.75	s	0.00
436	Dead animal removal	no charge	no charge	s	n/a
437					
438	140 wheelie bin	20.00	35.00	s	15.00
439	240 wheelie bin	30.00	47.50	s	17.50
440	770 euro bin	275.00	275.00	s	0.00
441	1100 euro bin	300.00	300.00	s	0.00
442					
443	Special events (per bin)	4.50	9.00	s	4.50
444					
445					
446	Green waste				
447	Annual Green Waste Collection Service	70.00	70.00	e	0.00
448	Second half price green waste collection service	35.00	35.00		0.00
449	Total Estimated Income (Waste Collection excluding Commercial Trade Waste)	446,500	598,300		151,800.00
450					
451	Council Tax and Business Rates				
452	Recovery action	52.50	52.50	e	0.00
453	Liability order	30.00	30.00	e	0.00
454	Total Estimated Income (Council Tax and Business Rates)	210,000	210,000		0.00
455					
456	Legal Services				
457	An illustrative set of charges is listed below.				
458	Other charges by application and more complex transactions by negotiation				
459					
460	Section 106 agreement	time spent x hourly rate	£540 minimum	z	0.00
461	Lease	time spent x hourly rate	£825-£2,750	s	0.00
462	Consent, Deed of Variation, Easement, Sale of Freehold	time spent x hourly rate	£550-£2,000	s	0.00
463	Licence	time spent x hourly rate	£900-£2,000	s	0.00
464	Right to Buy	engrossment fee	60.00	s	0.00
465	Copying large/complicated agreements and plans	including retrieval fee	75.00	s	0.00
466	Other copying (in addition to retrieval fee)	per side copied	0.50	s	0.00
467	Other copying (where retrieval not required)	minimum charge	7.50	s	0.00

Lewes District Council Fees and Charges Proposals 2021/2022

Appendix 1

By Service and Activity		2020/2021 Current charge £pence	2021/2022 Proposed charge £pence	VAT	Increase £pence
468	plus per side copied	0.50	0.50	s	0.00
469	Total Estimated Income (Legal Services)	24,100	24,100		0.00
470					
471	Estate Surveyor Services				
	<u>Commercial services</u>				
472	Lease - grant	500.00	500.00		0.00
473	Lease - Deed of Variation, Surrender	400.00	400.00		0.00
474	Lease - ancillary transactions (e.g. licences to assign)	250.00	250.00		0.00
475	Licence (e.g. scaffolding and other temporary structures)	250.00	250.00		0.00
476	Garden Licence	250.00	250.00		0.00
477	Disposal/Wayleave/Easement	500.00	500.00		0.00
478	Total Estimated Income (Estate Surveyor Services)	15,000	15,000		0.00
479					
480	Land Charges				
481	An illustrative set of the main charges is listed below.	The full list of fees and charges is available from the Council web site at www.lewes.gov.uk			
482					
483	Official Search of the Local Land Charges Register (LLC1)	16.00	16.00	e	0.00
484					
485	CON29 Part 1 – required enquiries	87.00	87.00	s	0.00
486	Total Estimated Income (Land Charges)	125,000	125,000		0.00
487					
488	Register of Electors				
	Statutory fees				
489	Paper copy	10.00	10.00	s	0.00
490	plus per 1,000 names	5.00	5.00	s	0.00
491					
492	Electronic copy	20.00	20.00	s	0.00
493	plus per 1,000 names	1.50	1.50	s	0.00
494					
495	Plus Postage and Packing if applicable		10.00		0.00
496					
497	Marked Register and Marked Absent Voting lists				
498	Paper copy		10.00		0.00
499	plus per 1,000 names		2.00		0.00
500					
501	Electronic copy		10.00		0.00
502	plus per 1,000 names		1.00		0.00
503	Total Estimated Income (Register of Electors)	1,000	1,500		500.00
504					
505					
506	TOTAL ESTIMATED INCOME FOR ALL SERVICES	2,838,300	3,000,500		162,200.00
			57,000		
			2,895,300		

Inflationary increase at 2%
Income target for 2021/22

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Report to:	Cabinet
Date:	4 February 2021
Title:	Portfolio progress and performance report 2020/21- quarter 3
Report of:	Ian Fitzpatrick, Deputy Chief Executive/ Director of Regeneration and Planning
Cabinet member:	Councillor Chris Collier, Cabinet member for performance and people
Ward(s):	All
Purpose of report:	To consider the Council's progress and performance in respect of key projects and targets for the third quarter of the year (October-December 2020) as shown in Appendix 1.
Decision type:	Non-key
Officer recommendation(s):	To note progress and performance for Quarter 3
Reasons for recommendations:	To enable Cabinet members to consider specific aspects of the Council's progress and performance.
Contact Officer(s):	Name: Millie McDevitt Post title: Organisational Effectiveness 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.

2 Overview

- 2.1 Despite the district being in lockdown and moving into tier 4 during this quarter, performance continues to remain at a high level with only 1 of the performance indicators falling below its target (for a very specific one-off reason).

3 Corporate plan and council policies

- 3.1 This report sets out the Council's performance in the third quarter of 2020/21 against its aspirations as set out in the Corporate Plan 2020-24.

4 Financial appraisal

- 4.1 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.

5 Legal implications

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

6 Risk management implications

- 6.1 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.

7 Equality analysis









- 7.1 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.

8 Appendices













- Appendix 1 – Portfolio Progress and Performance Report (Quarter 3 2020/21)

Lewes District Council Portfolio Progress and Performance Report Quarter 3 2020-2021 (October to December 2020)

- **Councillor James MacCleary**, Leader of the Council, Chair of Cabinet and Cabinet member for regeneration and prosperity
- **Councillor Zoe Nicholson**, Deputy leader of the Council and Cabinet member for finance and assets
- **Councillor Matthew Bird**, Cabinet member for sustainability
- **Councillor Julie Carr**, Cabinet member for recycling, waste 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 and infrastructure
- **Councillor Ruth O'Keeffe**, Cabinet member for tourism and devolution

















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

Key Performance Indicators

KPI Description	Annual Target 2020/21	Q3 2019 Value	Q1 2020 Value	Q2 2020 Value	Q3 2020 Value	Q3 2020 Target	Q3 2020 Status	Q3 2020 Short Trend	Latest Note
1.(Finance) Maximise amount of Council Tax collected during the year	98.25%	84.93%	28.48%	56.51%	84.05%	84.93%			For Q3, the collection rate is 0.88% below target which in monetary terms equates to £696,000. Collection has only decreased by 0.03% compared to last month. During December, the Revenue Collection Team have been sending 'soft' reminder letters and making outbound calls to residents in arrears. Statutory Reminder and Final Notices are due to be issued to residents who were still in arrears on 5th January.
2.(Finance) Maximise amount of Business Rates collected during the year	98.25%	81.67%	27.91%	54.78%	82.99%	81.67%			For Q3,the collection rate is 1.32% above target. The Revenue Collection Team continue to proactively work with those businesses who are struggling to meet payments to offer help and support during the pandemic.
3.(Community and Customers) Average number of days to process new claims for housing/council tax benefit	22.0	22.0	15.2	13.0	12.5	22.0			Close monitoring of the new claims and moving resources when needed have enabled the team to continue to perform well ahead of target.
4.(Community and Customers) Average days to process change of circs. (Housing/Council Tax Benefit)	8.0	13.5	6.8	5.0	10.0	8.0			The increase in the number of days to process was due to the incorrect indexing of rent increases from some landlords. They should have been actioned from 1 April 2020 but were not discovered until December. Some of the adjustments meant we had overpaid some tenants. However, we have written off any over-payments, so the tenant is not adversely affected. The team has now completed all of the changes and performance will be back at its previous level from January onwards.
5.(Community and Customers) Increase the percentage of calls to the contact centre answered within 60seconds	80%	77.56%	88.78%	96.94%	92.83%	80%			Although Quarter 3 saw us enter a second lockdown for 4 weeks, Customer Contact was prepared and predominantly working from home which allowed an almost uninterrupted transition with little to no effect on the service being provided to residents and customer. Number of telephone calls: Oct - 6891 Nov - 6265 Dec - 6021 Average time (in seconds) to answer calls: Oct - 28 Nov – 23 Dec -28 # of calls to Coronavirus helpline (Joint with EBC): Oct - 229 Nov -140 Dec -95
6.(Housing) Decrease total number of households living in emergency (nightly paid) accommodation	Data only	35	45	45	31	NA			The overall reduction is a significant achievement for the service; especially as Government restrictions to tackle the spread of Coronavirus, have made it more challenging to support our customers and we have seen a 12.3% increase in demand between Q3 20/21and Q3 19/20 due to the pandemic. We have begun to make further initiatives to cope with more increases.

Other Performance Indicators

KPI Description	Annual Target 2020/21	Q3 2019 Value	Q1 2020 Value	Q2 2020 Value	Q3 2020 Value	Q3 2020 Status	Q3 2020 Short Trend	Latest Note
7.Sustainability: Air Quality: Number of times nitrogen dioxide levels exceed national air quality objectives (200 µg/m3 hourly mean ave.)	18	0	0	0	0			This information covers all four AQMS in Lewes - Eastbourne: Eastbourne - Devonshire Park, Eastbourne - Holly Place, Lewes - Lewes Town, Lewes - Newhaven.
8.Community & Customers: Number of ASB cases	Data only	New PI	419	418	215			We have amended this PI to reflect cases which gives a truer picture of ASB in the LDC. In Q1 and Q2 it was reporting internal work reports generated.
9.Community & Customers: Number of bonfire complaints	Data only	New PI	81	19	21			There were no complaints in the same month last year. Smoke complaint levels are slightly elevated, almost certainly due to the continued lockdown.
10.Community & Customers: Proportion of customer processes initiated online	Data only	New PI	32.88%	23.87%	21.39%			Slight decrease
11.Community & Customers: Total number of complaints received (L)	Data only	123	98	149	127			For monitoring only
12.Housing: Decrease average number of days to re-let Council homes (excluding temporary lets)	Data only	16.7	8.0	67.6	35.9			Figures are improving, with some minor delays due to materials for voids being in shorter supply. Properties with delays due to covid-19 are reducing.
13.Housing: DFGs - Time taken from council receiving a fully complete application to the council approving the grant	28 days	8 days	4 days	10 days	4 days			On target
14.Housing: Rent arrears of current tenants (expressed as a percentage of rent debit) (L)	4%	5.72%	5.02%	4.31%	4.18%			Rent collection is improving and close to our target.
15.Planning: % of appeals allowed against the authority's decision not to grant planning permission (2 year rolling government figures)	10.0%	27.3%	100.0%	75.0%	Majors – 0% Minors- 1.5%		Change of measure	As agreed at Cabinet, we are now using the figures that are submitted and published by government. Rolling two period ending Sep 2020 Majors 66% of decisions made within 13 weeks and 0% of appeal overturned (PI no more than 10%) Non-Majors 76% of decision made in time and 1.5% of the cases overturned at appeal (PI no more than 10%)

KPI Description	Annual Target 2020/21	Q3 2019 Value	Q1 2020 Value	Q2 2020 Value	Q3 2020 Value	Q3 2020 Status	Q3 2020 Short Trend	Latest Note
16. Planning: Exceed government targets for the % of major applications determined within 13 weeks - LDC	60%	66.67%	75%	66.67%	87.5%			Performance on track
17. Planning: Exceed government targets for the % of minor applications determined within 8 weeks- LDC	70%	81.42%	83.5%	83.7%	66.96%			This quarter is marginally below target due to staffing issues that are being addressed via current recruitment. The annual % remains above the target and the rolling 2 year government statistic for this period as at Sep 2020 was 76%
18. Recycling & Waste: KG waste collected per household		146.11	112.9	112.8	Awaiting data			Awaiting data from 3 rd party
19. Recycling & Waste: Percentage of household waste sent for reuse, recycling and composting	43.00%	42.47%	43.25%	37.69%	Awaiting data			Awaiting data from 3 rd party
20. Recycling & Waste: Total number of reported fly-tipping incidents	200	27	65	103	39			Oct – 17, Nov – 13, Dec – 9. Significantly down on Q2. Fly-tip Hot Spots: Chailey and Wivelsfield Ward, East Saltdean and Telscombe Cliffs Ward, Plumpton, Streat, East Chilmington & St John. 1 fine for fly-tipping in October for £400
21. People & Performance: Number of people registering for our email service	2,004	900	2,706	3,359	1,737			Decrease in registrations but still above target.
22. People & Performance: Number of new sign-ups to the Councils' social media channels	600	226	403	264	295			On target
23. People & Performance: Staff: Average days lost per FTE employee due to sickness (J)	8.0 days	2.72 days	1.63 days	1.56 days	1.46			On target

Projects

Project / Initiative	Description and update	Target completion
Devolution of Open Spaces	<p>Telscombe & Newhaven devolution: Update: Telscombe Town Council has confirmed it does not wish to proceed with devolution of Telscombe Playing Fields. Awaiting input from Newhaven TC solicitors on a number of issues Riverside Park - Heads of Terms agreed and ESCC's solicitor is preparing a draft lease.</p> <p>Devolution Committee postponed until early 2021 to allow time for discussion with Town and Parish Councils regarding the updated devolution list. Cllr O'Keeffe is taking these forward.</p>	Q1 2024/25
Neighbourhood Planning	<p>Neighbourhood plans for Chailey and Peacehaven & Telscombe Update: No significant change from Q2.</p> <p>Chailey- Recommended modifications are being made by the Parish Council and Steering Group. These should be completed this month. LDC will check the modified Plan and publish when it is ready.</p> <p>Peacehaven and Telscombe- The draft Plan and evidence is progressing through preparation. The residents are currently being consulted on the Masterplan to accompany the NP.</p>	Q1 2022/23
Progress Local Plan Part 1 Review	<p>Develop progressive planning and infrastructure policy and commission evidence to underpin local plan part 1 review - leading towards late 2023 adoption of greenest local plan.</p> <p>Update: A review to assess the relevance of current policies has been concluded. The 'call for sites' concluded Dec 2020 and the responses received are now under review.</p> <p>A series of Technical Advice Notes have been prepared to support planning applications these have been subject a targeted round of consultation and are seeking Cabinet approval.</p> <p>An Interim Planning Statement has been developed (outlines our planning position post May 2021 and this is currently out for consultation.</p>	Q4 2023
Upper Ouse Flood Protection and Water	<p>3 year programme of flood protection work across the District:</p> <p>Update: Work at Wivelsfield progresses - meeting planned with local school and landowner of West Woods. Seeking to establish a Flood Action Group in Ringmer in 2021. Ringmer Pond project continues - designs produced soil tests underway - negotiations with landowners underway - aim to make planning application in February 2021.</p> <p>West Woods has deep gulleys and little under storey growth this could produce 60,000m3 of water during Storm Alex rainfall event - 8mm/hr if gullies in wood were stuffed and made into wood dams then reduce this runoff and risk downstream.</p> <p>Community information drafted and await ability to engage with community. Work with Sussex Flow Initiate progresses with reports written and advice given to landowners at 45 sites across the Ouse Catchment</p>	Q3 2022.
North Street Quarter	Regeneration of the North Street Quarter area in Lewes to provide over 400 homes; health hub; car park and new commercial space.	A per Cabinet report

Project / Initiative	Description and update	Target completion
	<p>Update: NSQL, the majority landowner at the NSQ site, has now confirmed that it will sell its land to a third party developer – Human Nature. On 10th December 2020, the Council's Cabinet agreed heads of terms for the sale of its land to this developer, and delegated authority for the Council to negotiate and enter into a sale and purchase agreement with Human Nature, based on these heads of terms.</p> <p>Human Nature intends to submit a new planning application for the NSQ site. The Council will now work with Human Nature to understand their plans and timescales for the development.</p>	
Springman House- Blue light services hub	<p>The relocation of the Lewes community fire station to the Springman site is an enabling project for the NSQ regeneration scheme. Human Nature intends to submit a new planning application for the NSQ site. The Council will now work with Human Nature to understand their plans and timescales for development of the NSQ site, including any implications for the fire station relocation.</p> <p>The Council is currently preparing a planning application to demolish the Springman House building. Demolition will enable further intrusive ground investigations to take place on the site and will mean that any new development can progress quicker in the future.</p>	Linked to NSQ development
Newhaven Flood Alleviation Scheme (Environment Agency)	<p>Enabling the delivery of key infrastructure projects in Newhaven.</p> <p>Update: The first rail possessions for the flood gate have now been finalised. Subject to weather conditions, it is hoped that just one final rail possession will be required in Spring 2021 to complete the project.</p>	Q4 2020/2021
Newhaven Enterprise Zone	<p>NEZ covers 8 key sites of strategic importance with the aim of driving economic growth through the creation of up to 55,000m²; of new employment floorspace, refurbishing 15,000m²; of existing employment floorspace and creating / sustaining up to 2,000 FTE jobs over a 25-year period.</p> <p>Update: Future High Streets Fund (FHSF) allocated to Newhaven (£5m). All milestones on track. Delivery for Avis Way interventions scheduled to being in Spring 2021. Youth Design Challenge scheduled for June 2021.</p>	Q4 2041/42
Newhaven Town Centre	<p>Delivery of mixed use regeneration scheme within NEZ.</p> <p>Update: FHSF has been partially granted so redevelopment of site is likely to proceed. Further clarification of business case required with Government which will determine if full amount is obtained.</p>	Q4 2020/21
Railway Quay Newhaven	<p>Delivery of mixed use regeneration scheme within NEZ.</p> <p>Update: D&B contractor appointed, with a view to starting works by end of January. Operator for site selected, subject to contract. CIL funding approved for the site taking total budget to £854k - works will be phased. Aiming for Easter opening for phase 1 which will include the waterside cafe. All subject to any Covid restrictions that might be put in place.</p>	Q4 2020/21
Housing Development Programme - LDC	<p>The programme progresses positively to deliver upon the Corporate Plan objectives including the direct delivery of an additional 200 new homes across the district. Since 2020/21 Q1, in the face of challenges due to the pandemic, 100 new homes have been identified for rent and low-cost homeownership at varying stages of delivery.</p> <p>Recent highlights include:</p> <ul style="list-style-type: none"> • Palmerston House, Fort Road – 13 x high-tech modular units completed for council rent in 2020/21 Q2. • Saxonbury, Lewes – Conversion works commence to deliver 12 x council rented units in 2021/22. • Old Hamsey Lakes, Chailey – Phase 1 of the 12 x rural S106 homes complete, due for handover in Q4. • Fire Station, Newhaven – Contracts exchanged to deliver 7 x affordable rent homes to complete in circa 2022/23. • Anchorfield, Ringmer – Works commence to deliver 11 x S106 affordable homes as part of a wider development. This has already resulted in a land receipt to the council and has seen the successful delivery of a new high quality 3G sports facility. 	Q4 2024

Project / Initiative	Description and update	Target completion
	<p>The next phase of homes will be contributed by the council's Strategic Estate and Land Review – an in-depth review to maximise existing land and property assets within the HRA housing stock to meet local housing needs. The pioneering of sustainable house building methods, specifically modular, and the use of renewable technologies embodies the council's climate change agenda.</p> <p>Further increasing general housing supply will continue to include other partners such as private developers, housing associations and other independent forums. There will however be renewed emphasis on financially sustainable initiatives for community-led housing, as part of the government's Affordable Homes Programme 2021-2026. This, together with refocused strategies for procurement, will help to achieve goals towards Community Wealth Building, integrated into the future of council housing delivery.</p>	

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Report to:	Cabinet
Date:	4 February 2021
Title:	Climate Change and Sustainability Strategy 2021
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Planning and Regeneration
Cabinet member:	Cllr Matthew Bird, Cabinet member for sustainability
Ward(s):	All
Purpose of report:	To agree the strategy and action plan to deliver against the Council's climate emergency declaration and net zero targets agreed in 2019
Decision type:	Key
Officer recommendation(s):	(1) To approve the Climate Change and Sustainability Strategy 2021 and Action Plan set out in Appendix 1 and 2. (2) To require the Deputy Chief Executive and Director of Planning and Regeneration to produce an annual progress report detailing the council and district carbon footprints, and progress against the action plan in September each year. (3) To note the 'Summary of Engagement Responses' report at Appendix 3.
Reasons for recommendations:	To progress the aims of the Council's Climate Emergency Declaration (2019) to make the Council Net Zero Carbon by 2030 and to assist the same aim to be achieved within the wider district.
Contact Officer(s):	Name: Kate Richardson Post title: Strategy & Partnership Lead- Sustainability E-mail: kate.richardson@lewes-eastbourne.gov.uk Telephone number: 01323 415202

1 Introduction

- 1.1 This report seeks Cabinet's consideration of three documents: The Climate Change and Sustainability Strategy 2021; Action Plan and Sustainability Indicators; and a Summary of Engagement Responses received during consultation and engagement on the draft strategy during summer and autumn 2020.

- 1.2 The strategy has been produced following the Climate Emergency declaration made at Full Council in July 2019 and sets out the Council's corporate and district wide strategy and vision for a net zero carbon district by 2030.

The visions and actions contained within the strategy have been developed in response to the urgency of the climate emergency being faced. The strategy will enable the Council to work with the community to co-ordinate its response into meaningful and long-lasting action.

With limited financial resources the Council needs to ensure it prioritises the right actions to have a lasting positive impact on the district in relation to carbon reduction, sustainability and a green economic recovery. To this end effective partnerships must be enabled so that opportunities for external funding and support are identified.

The Corporate Plan prioritises Sustainability and Community Wealth Building. Community wealth building is a key part of the sustainability strategy and forms part of action area 7 Circular Economy and Community Wealth. The Council is considered 'an anchor institution' and can use its substantial spending power and influence to drive investment into the local economy to enable a green economic recovery and local job creation and retention. Community wealth is a thread that runs throughout the climate change and sustainability strategy particularly in relation to procurement but also training and skills. The action plan and strategy refer directly to the 'Reimagining Lewes District Action Plan' that was subject to a cabinet paper in December 2020.

- 1.3 The Council originally aimed to adopt a full strategy by July 2020. With the arrival of the coronavirus pandemic and the subsequent lockdown in mid-March, requiring the council to focus on practical community response activities, it quickly became clear that the production of the strategy was going to be impacted.

Reduced staffing and partnership capacity due to emergency work in particular impacted upon our ability to perform the appropriate engagement that was needed. However, that work has now been undertaken enabling this report to be considered by Cabinet.

- 1.4 The pandemic and lockdown has been mentally and financially challenging for many residents as well as the Council and its staff. However it has also had some positive environmental and social impacts such as: improved air quality; an appreciation of carless streets; increasing appreciation of local nature, renewed interest in cycling and walking; and an improved sense of community cohesion as society has very quickly pulled together for the greater good.

There is an opportunity to harness the positives of this situation and determine how best to take these on into the future. The Council's strategic approach can now build on these positives and work not to revert to the 'old business as

usual'. A new impetus can be given to the sustainability agenda by encouraging support for a sustainable restart and economic recovery. The potential for a new Food Partnership is a good example of this. It had not been a priority workstream for the Council but the pandemic showed how vulnerable we are regarding food supplies and food poverty so the need to support such a partnership has risen up the agenda very quickly and the Council will now work closely with SCDA and others as they set up the partnership.

Some outcomes of the pandemic, which could have taken years of encouragement to develop, have come together over days during this crisis.

This change in attitude and behaviour has been demonstrated by the whole workforce of the Council as they have become more flexible as to their working arrangements in order to enable the corporate Recovery and Reset programme, carry out day to day business as well as progress sustainability actions. The council will need to monitor how these changes affect staff wellbeing as well as district wide carbon emissions.

One action that became clear earlier in the year was the need to produce new Planning Policy Technical Advice Notes (TANs) on sustainability subjects including Biodiversity Net Gain. These TANs have been developed over the last few months and are presented for approval on the agenda of this same Cabinet meeting.

2 The Climate Change and Sustainability Strategy and Summary of Engagement Responses

- 2.1 Three documents have been brought forward for approval by Cabinet. The strategy itself sets the framework to decarbonise the Council's own operations and how we will work in partnership with the community to deliver the Net Zero Carbon by 2030 target. The second is the action plan to deliver the strategy and the initial set of indicators that will be used to measure progress; and thirdly a summary of the engagement work undertaken and how it has influenced the development of the strategy.

Appendix 1 and Appendix 2: Climate Change and Sustainability Strategy 2021 and Action Plan

The full strategy sets the policy framework supported by an evidence base and action plan to deliver against the net zero target. It includes a summary of the pathway analysis conducted by carbon consultants, Anthesis, using the SCATTER tool and illustrates the scope of the challenge faced and the opportunity the council has, to facilitate change and lead by example.

The strategy contains summaries of both the district-wide and Council's own carbon baselines and it also details the vision for Lewes district in 2030 that builds upon the council's Corporate Plan objectives.

The full baseline reports were reported at Cabinet in July 2020 and can be found at www.lewes-eastbourne.gov.uk/climatechange

An action plan accompanies the strategy which sets out more detail on the work required to deliver the vision along with a suite of indicators to demonstrate progress. Some indicators are still in development and will be finalised over the coming months.

It is acknowledged that Lewes District Council is at the beginning of a significant journey that will involve changing the way people think about and operate assets, and how the council works with and enables the community to deliver projects. The strategy does not usurp the multitude of work streams already being delivered by our communities, or indeed the council, but hopefully brings this together under a shared vision and ambition to meet the challenges and develop the opportunities posed by the 2030 target.

It should be noted that some areas are at an early stage of development. Through annual reporting, the public and Members will be kept up to date on evolving workstreams and the benefits they will bring to the district.

2.2 **Appendix 3: The Summary of Engagement Responses**

The proposed strategy and vision has been developed in partnership with the Expert Panel and the Climate Change Scrutiny Panel, a cross-party panel of councillors over the months July-October 2020. This engagement period utilised a draft framework strategy (approved by Cabinet July 2020) containing baseline information and proposed goals to focus facilitated workshops on each action area with key 'experts'. The first Climate Action Forum was held in October and was also used to publicise a public response to the framework questions.

The survey was completed online but was available in word format and passed accessibility criteria for reading software.

In terms of the expert panels we worked with 36 individuals from 33 different organisations based or working within East Sussex and the district, these included the County Council, other district and borough councils, wildlife charities and trusts, community groups and organisations, both Brighton and Sussex University, community interest companies and individual specialists and sustainability practitioners.

In addition to the panel workshops the council received back 38 completed surveys to the framework and had around 70 people attended the first virtual Climate Action Forum.

In total this represents input from around 140 people and organisations.

3 Resources to deliver the action plan

3.1 In the action plan (Appendix 1-part 3 Action Plan) it has been indicated what resources will be required to deliver the various actions in the strategy. In many

instances it is stated that the work will be undertaken within existing staff resources. This work is being progressed through the following;

- An internal Officer Working Group has been established to co-ordinate projects to deliver Net Zero by 2030. This is attended by the Deputy Chief Executive and Director for Planning and Regeneration, Ian Fitzpatrick.
- A dedicated Strategy and Partnership Lead for Sustainability (shared with Eastbourne Borough Council), to manage delivery of the strategy and action plan both internally and borough wide.
- Through the Decarbonising Our Housing Stock project, a Community Development and Sustainability Specialist is being appointed to undertake tenant engagement work.

3.2 In addition to staff, other resources will be required to enable the delivery of the strategy. Given the challenging financial climate being experienced by the council, a variety of approaches are planned to fund this work.

- The majority of capital funding for decarbonisation projects will be from existing budgets where the intention will be to direct spend towards low carbon options. As the Asset Management Plan is currently being determined, the action plan reflects the need to assess assets on a case by case basis. Any additional capital bids will be made on an invest to save basis
- Competitive funding grants applications will be pursued as and when they become available. An example of this is the recent bid made to the Net Zero Innovation Fund for a research project on alternative finance.
- Non-competitive grants, such as those for Electric Vehicle Charge-points currently available through OLEV, will also be assessed for suitability and applications made where appropriate.
- £500,000 has been allocated to the Decarbonising Our Housing Stock (DOHS) project that will run through to 2024, overseen by a project board that includes the Cabinet Members for Sustainability and Housing. The DOHS project has multiple objectives within the themes of stock analysis, solution development, supply chain development and tenant engagement. The project will enable the primary outcome to decarbonise all the council's housing stock by 2030.

4 Financial appraisal

4.1 The Council expects that there will be resource implications to deliver its Climate Change challenge, and in the current financial climate post COVID-19, it is not possible to confirm where and when this funding will be available. A major part of the Council's role will be to seek external resources, partnership working, lobby for policy and regulatory changes to support investment in the right infrastructure to achieve the Council's Net Zero Carbon by 2030.

4.2 Most of the capital funding for decarbonisation projects will be from existing budgets and given the cost estimates, implementing the Council's Climate Change and Sustainability Strategy 2021 cannot be fully delivered from the existing Council resources alone. Therefore, any additional budget required to

achieve the targets will need to be approved in the usual way through the Council's Budget/Financial Planning process.

5 Legal implications

5.1 Approval of the Climate Change and Sustainability Strategy is an executive function and therefore a matter for Cabinet.

5.2 The Council's duties and powers in relation to climate change and sustainability have been detailed in previous reports to Cabinet on this subject, for example the report considered on 10 February 2020.

Lawyer consulted 04.01.21

Legal ref: 009826-LDC-OD

6 Risk management implications

6.1 Failure to agree and progress the strategy could impact upon the Council achieving its net zero goals. Delaying action will make actions financially more costly, potentially increasing the requirement for carbon offsetting.

7 Equality analysis

7.1 An Equality analysis has been undertaken on these proposals. This has concluded that;

Improved responses to the impacts of climate change and reducing carbon emissions will generate co-benefits such as improved air quality, and this would generally be positive for all residents in the borough. It was noted also that children will be the owners of our legacy of carbon emissions, and that we have a duty to do what we can to reduce these as soon as possible.

Potentially, vulnerable residents may be more susceptible to the impacts of climate change. For groups such as the elderly, low-income households and those with certain underlying health conditions, tackling climate change is particularly positive. The strategy itself includes actions which will assist different need, including those least able to pay for home improvements to reduce their energy bills, enabling them to cope better with unpredictability of energy prices.

8 Environmental sustainability implications

8.1 The strategy is key to delivering the net zero goals of Lewes District Council by 2030.

It will seek to ensure that carbon implications are taken into account throughout the Council and in all decisions.

Implementation of actions to achieve carbon neutrality is key to mitigate the predicted negative impacts of climate change on the environment, economy and communities.

9 Appendices

- Appendix 1 – Climate Change and Sustainability Strategy 2021
- Appendix 2 - Action Plan and Sustainability Indicators
- Appendix 3 – Summary of engagement responses (2020)

10 Background papers

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

- **Baseline reports-** www.lewes-eastbourne.gov.uk/climatechange
- [Sustainability Policy](#)
- [Lewes District Council Full Council July 2019- Declaration of Climate Emergency](#)
- [Lewes District Council Cabinet July 2020- Climate Change and Sustainability Strategy Framework](#)
- [Lewes District Council Cabinet December 2020- Community wealth building](#)

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Climate Change and Sustainability Strategy 2021



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Introduction

In July 2019 we declared a climate emergency. The main purpose of this is was to commit to becoming carbon net zero and fully climate resilient by 2030. In some ways it was an easy thing to do; climate change was high profile once again and a report by the Independent Panel on Climate Change had stated that it is likely temperatures will exceed 1.5 degrees between 2030 and 2052 at current levels of CO₂ with highly negative impacts on humanity and nature.

The difficult bit comes next. It requires legislation and action at all levels, from the national to the local and partnerships between council, business, local organisations and communities.

I started working in Lewes at the Community Recycling Centre in Lewes just over one week before the floods in 2000 which caused so much heartache and devastation to the town. The flood was a wake-up call to local people and decision makers to consider the impacts of climate change in all that we do. This culminated with the Coastal Communities 2150 Project in 2012 which was a community partnership brought together to communicate the risks of climate change to communities along the coast and the Ouse Valley.

The partnership approaches which had formed over the years were essentially ended by the 2008 recession as resources focused on sustainability and climate change diminished. With the declaration of the climate emergency this work has begun again with renewed focus and vigour.

Our corporate plan emphasises the priority of tackling climate change. We have already begun decarbonising our social housing stock,

supporting natural flood and infrastructural flood alleviation schemes, initiating hydrogen projects and expanding wildflower and tree planting amongst many other carbon reduction initiatives.

It is a priority for me that we engage with our communities on climate change. We supported the partnership that successfully bid for funds to implement a climate partnership along the Ouse Valley. We've initiated a Community Climate Action Forum and Youth Climate Action Forum as well as Walking and Cycling Forum. It is vital that we work closely with the many active community groups in the District as well Town and Parish Councils.

This strategy and action plan sets out our blueprint moving forwards. It will change as new partnerships form and new opportunities arise, but it sets out clearly our carbon baseline, where we need to focus and what we need to do to tackle greenhouse gas emissions and adapt to a changing climate.

2020 was one of the three hottest years (with 2016 and 2019) and flood warnings were issued in Seaford 7 times.

We have a limited window to act

One of the few rays of light from the otherwise tragic experiences of Covid-19 was the rise in cycling due to less cars on the road, the increased appreciation of local nature and the rise in online working with less need to travel.



Whether we will see a resumption of former behaviours and CO₂ emissions remains to be seen but we have had a glimpse of how a better balance positively impacts not only on CO₂ emissions but also on our lives and we must ensure that this is not wasted.

Matthew Bird

Lead Cabinet Member for Sustainability

Part 1

The Vision for 2030



The Vision

By 2030 we will have a net zero carbon and fully climate resilient council. Through our partnerships we will have enabled the district as a whole to progress to net zero carbon and to address the ecological emergency.

Lewes District is a mix of urban and rural communities, coast and countryside, modern and historic buildings, agricultural and industrial businesses.

We have a beautiful district but it can be congested at times, it contains pollution hotspots particularly in Newhaven and Lewes town, it has rural areas with limited public transport, it lacks comprehensive cycling and walking routes, it's vulnerable to flooding and is suffering biodiversity losses in line with the alarming national and international trends. It has areas requiring economic regeneration, it needs more affordable housing and we need to reduce income inequality.

As a result we accept and acknowledge that we have a huge amount of work ahead of us to meet our ambition of becoming a net zero carbon and climate resilient council by 2030 and that we will be doing this with uncertain financial resources.

There is enormous enthusiasm and capacity in our local communities to help us meet these challenges. We have seen how fast we can act and come together and enable massive change when faced with the urgent and

common threat posed by the Coronavirus pandemic. We need to translate this urgency to tackling the climate change and ecological emergency. Although climate change will occur and impact on our lives we have a small window in which to reduce the more severe impacts of climate change, as long as we act now to cut emissions and prepare our communities for some inevitable changes.

Our own experience of flooding within the district, the stark predications of the effects of sea level rise on our coastal communities in and around Seaford and Newhaven, and the impacts of cliff erosion in Peacehaven, drives our resolve to enable climate resilient and sustainable communities.

Arresting biodiversity loss is inextricably tied to climate resilience, flooding impacts, and the ability to sequester and store carbon. Committing to nature-based solutions is essential for our recovery from the current Covid-19 crisis, and to better avoid future pandemics promoting healthy, thriving and resilient communities for the future.

The 'Declaration of the Climate Emergency' is our public statement that work the Council



and others, locally and nationally, already do to mitigate and adapt to climate change must be ramped up and progressed at pace.

But we cannot do this alone.

We have committed to becoming a net zero carbon Council by 2030. This means reducing our directly controllable emissions to as low as possible and then, if required, investing in solutions to reduce the remaining carbon emissions (offsetting).

We have also committed to support and work with others to make the district net zero carbon by 2030 though this target will be much harder to achieve.

We will use our influence and lobbying function to enable this and we will lead by example. We will work in partnership with the community to break down current barriers and enable delivery of projects.

Working together locally

We can only deliver on our vision and strategic goals effectively by understanding all the aspects the council can directly act on and those that we can only deliver by working with others in public, private and voluntary sectors across the district.

Regional Partnerships and Networks

Various partnerships and networks already exist and will be developed to further both district and regional zero carbon aims. New partnerships are in development to further objectives for specific purposes such as retrofitting the social housing stock.

The [Greater Brighton city region](#) has pledged to help tackle the climate change crisis and place itself at the centre of partnership efforts to effect real change.

Together the partners can use their combined authority, lobbying power, expertise and knowledge to work towards **ten pledges** on a range of environmental issues chiefly concerning water and energy conservation.

The Sussex Local Nature Partnership

aims to work across sectors and organizations to secure the healthiest ecological system possible thereby protecting and enhancing the natural environment and all that it gives us. This vision is the key guiding principle behind the work of the LNP, both in terms of its direct delivery and in terms of any advice it may give, the statements it makes and the positions it

may hold. [The Green Growth Platform](#) is the South East Regional Hub of Clean Growth UK, a national business-innovation network that has collectively supported 1000s of businesses across the UK to innovate and grow. Clean Growth UK has hubs in Brighton, Liverpool and Portsmouth. They provide access to university led research and skills through the Greater Brighton city region working groups.

Partnerships have also developed to enable funding bids to take place, these include:

[Ouse Valley CARES](#) a partnership formed of local organisations and community groups including Lewes District Council and South Downs National Park. The partnership was successful in obtaining funding from the National Lottery Community Fund to develop a range of projects tackling climate change along the Ouse Valley.

[Changing Chalk](#) is focused on the chalk grassland landscape of the Sussex Downs and the communities of the coastal urban fringe of Brighton and Hove, Eastbourne and Lewes. Development funding of £138,300

has been awarded by The National Lottery Heritage Fund to help the Changing Chalk partnership progress their plans to apply for a full grant in 2021. This partnership, led by the National Trust will bring together people and nature, over a five-year period, to tackle the threats, grasp the opportunities and celebrate the heritage that the area offers.



Harnessing Community Action and Expertise

The district is home to a multitude of individuals, organisations, charities, schools, Community Interest Companies and businesses that are like-minded to achieve sustainability goals such as lowering carbon emissions, reducing pollution, improving the natural environment, reducing poverty, promoting community cohesion and more. We are also lucky enough to be close to 2 world leading universities in the fields of sustainability, environment policy and engineering solutions.

Local initiatives include: Plastic Free groups in Newhaven, Seaford and Lewes; Greenhavens Network; Cycle Seahaven; Cycle Lewes; Lewes Walking and Cycling Forum; Refill; OVESCO; Transition Town Lewes; Lewes Climate Hub; Seaford Alliance; amongst many others both long running and **newly emerging**.

There is so much knowledge, experience and expertise that the council desired to bring this together and make it available to others who may be struggling to know how to get started on their sustainability journey. We commissioned 3VA and the Sustainable Business Partnership to facilitate the community **Climate Action Forum** [\[insert link\]](#)

The forum will develop over 2021 to provide a space for the community and youth to engage with the climate change agenda and develop new local action and ownership of the problem as well as the solutions.

Residents (including young people), businesses and organisations can get involved by joining here [\[insert link\]](#).



The Youth Voice

Young people are key to the reduction of greenhouse gas emissions in the longer term. They will inherit our legacy and live with the consequences of climate change. Working closely with young people now will help ensure that sustainability behaviours and climate awareness are taken forward into adulthood. We need to embrace their energy and enthusiasm and enable, rather than stifle, their ideas but they also need to see us act swiftly and decisively for their future.

The **East Sussex Youth Council** is the elected youth voice for East Sussex. It made 'protecting the environment' top of their list of priorities for 2020 mirroring the Youth Parliaments 'Protect our Future' campaign. There is also the **Green United Forum** and schools network. OVESCO have engaged with local schools to install solar panels and many have taken up the environmental challenge by seeking to make their schools more sustainable in many other ways.

Kings Academy in Ringmer is nationally recognised for its sustainability work and is an **Ashden Award** winner. The school generates 70% of its heat on site through a variety of measures including a biomass boiler and heat pumps. They have on-site solar panels and a wind turbine generating **25% of their electrical energy use**. Rainwater flushes the toilets and extensive insulation has been installed.

Most impressively **25%** of their students are actively engaged as **ECO Reps**.

In order to encourage engagement with the district's Climate Action Forum young people from Seaford, Lewes, Ringmer, Chailey and Peacehaven were brought together at the end of October 2020 to speak about how they wanted to address the climate emergency in the Lewes District Area at a facilitated youth specific forum. Some of these young people were also representatives of the East Sussex Youth Cabinet, Seaford Environmental Alliance, Home Schools Network and their own school and college climate action and sustainability groups. The group chose 'campaigning' as their preferred type of action and to focus this within schools and colleges in the area. They also decided to vote for a representative to feedback from the youth group into the wider Climate Action Forum.



ABOVE Youth Climate Action Forum & 3VA

BELOW Rapid Charger installed at Kings Academy, Ringmer



Part 2

Why do we need a strategy?

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Photo © Sussex Express

Why do we need a strategy?

Overwhelming consensus has been gained through global and national research from the likes of the Intergovernmental Panel on Climate Change and the Met Office's UK Climate Projections to set in motion a policy framework that requires us to step up and take responsibility for our local emissions and environmental impacts.

We must act now to mitigate the impacts of a changing climate, to adapt and manage the risks to service provision, local communities, the natural environment, infrastructure and businesses whilst taking a grasp of the multitude of positive opportunities that the changes we need to make will offer us.

The council has a key role to play as a community leader and through the services we provide but we cannot do it alone. The strategy aims to act as a path directing us towards the net zero target and to bring together all the amazing work going on in our communities and expand upon it, to build resilience and adapt to our changing climate.



This strategy will:

- Set out a vision for Lewes District in 2030
- Set out how the council will act as a community leader and reduce its emissions to net zero carbon by 2030
- Provide a framework for action by the council and other partners to assist the district in becoming net zero carbon by 2030
- Enable best practice to be shared and replicated
- Bring together workstreams occurring across the district to monitor progress against the net zero carbon target.

This strategy will not:

- Be delivered by the council alone. The Evidence Base sets the path we need to take based on current evidence. Many of the things that need to happen cannot be delivered by the council but we can influence them. The Action Plan details the current actions we and others are taking and plan to take over the coming years in order to reduce emissions from our own operations and from the district. It is a live document and will be updated as plans are refined and progressed.
- Detail everything going on within the district or all the actions we need to take in future years. The council will monitor, review and update the strategy as required and formally once per year.

Policy Framework

The policy framework is set out on the following page – click through the links to find out more about each item – this isn't a comprehensive list but provides insight into major pieces of policy and how they link to our climate change and sustainability strategy.

Aerial photos pages 9 and 10:
Lewes flood in 2000 © Sussex Express

Policy Framework

Global

Paris Agreement:

Reduce emissions to limit temperature rise to 2°C

UN Sustainability Goals

National

Climate Change Act: Net Zero by 2050

Current Strategy:

- Clean Growth Strategy
- Road to Zero
- Green Future: Our 25-Year Plan to Improve the Environment
- Clean Air Strategy
- Gear Change

Strategy is delivered by:

- The Environment Bill (due 2021)
- The National Planning Policy Framework and the Building Regulations (specifically Part L)
- Future Homes Standard
- The Agricultural Bill

Strategy in development:

- Transport Decarbonisation Plan
- Energy White Paper
- Heat and building strategy

Regional

- East Sussex Environment Strategy 2020
- South2East Energy Strategy 2018
- East Sussex Local Transport Plan
- Transport for the South East – Transport Strategy
- Greater Brighton Energy Plan and Greater Brighton Water Plan
- South Downs National Park Climate Adaptation Strategy
- Sussex Natural Capital Investment Strategy

Local

- Lewes District Climate Change and Sustainability Strategy and Action Plan
- Corporate Plan 2020-2021
- Lewes Local Plan



UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 goals with 169 targets that were adopted by every country in the world in 2015. They set out a blueprint to achieve a better and more sustainable future for all by 2030. The goals are to be achieved by everyone everywhere and seek to make sure that 'No One is left behind'. They address the interconnected global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

Lewes District Council would like to seek to achieve the UN goals in the same period as the net zero carbon target. Many actions within the climate change and sustainability action plan will help deliver the goals but we have not yet gone through a process of detailed analysis.

The table on the following page provides examples of how our 2030 net zero action areas (and their respective goals) align to the SDGs.



UN Sustainable Development Goals Alignment



LDC Action Area:

- Circular economy & Community Wealth



LDC Action Area:

- Agriculture & Food



LDC Action Area:

- Sustainable Transport & Air Quality
- Biodiversity



LDC Action Area:

- Cross cutting theme and part of the green, post covid recovery



LDC Action Area:

- Not specifically mentioned



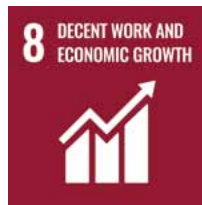
LDC Action Area:

- Water



LDC Action Area:

- Energy & the built environment



LDC Action Area:

- Cross-cutting themes
- Circular economy & Community Wealth



LDC Action Area:

- Cross-cutting theme
- Energy & the built environment



LDC Action Area:

- Circular Economy & Community Wealth
- Energy & the built environment



LDC Action Area:

- All action areas and cross-cutting themes



LDC Action Area:

- Circular Economy & Community Wealth
- Energy & the built environment
- Reducing emissions from waste



LDC Action Area:

- All action areas and cross-cutting themes



LDC Action Area:

- Biodiversity
- Water



LDC Action Area:

- Biodiversity



LDC Action Area:

- Circular Economy & Community Wealth



LDC Action Area:

- Cross-cutting themes
- Expert Panel
- Climate Action Forum
- Circular Economy & Community Wealth

Part 3

Developing the strategy

HIGH AMBITION PATHWAY: 2030 SUMMARY

By 2030, the emissions profile for Lewes is predicted to look very different from today. Concerted local actions can have a significant effect on district emissions, making reductions of around 65%.

Tackling residual emissions - closing the gap to carbon neutrality

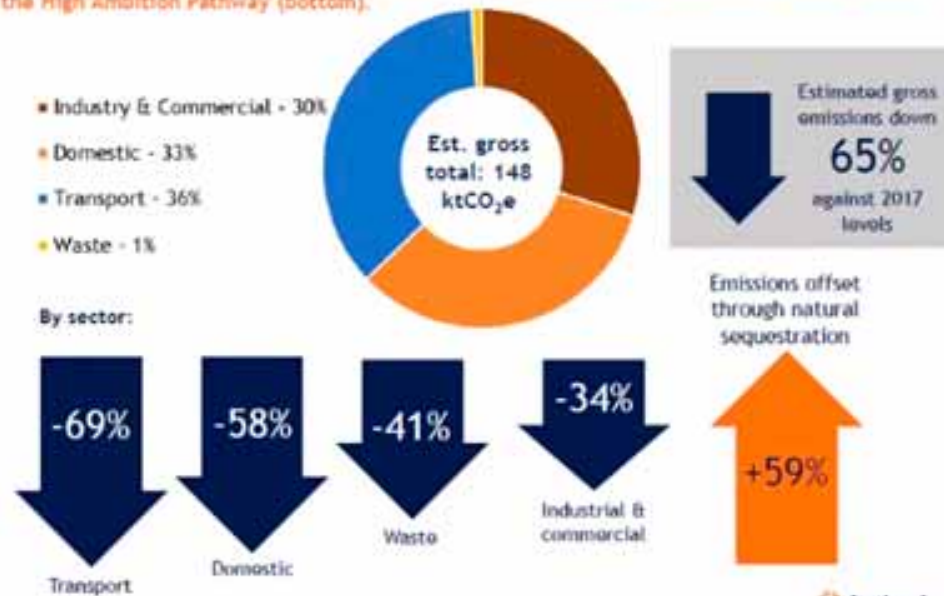
Despite the aggressive actions described, hard-to-remove emissions in industry and freight transport persist. Whilst emissions from the domestic and waste sectors are massively reduced, the scale of improvement is not enough to reach zero by 2030.

Offsetting strategies are recommended as a means of addressing these residual emissions.

Lewes District Council | Executive Summary

Adoption of the High Ambition Pathway interventions delivers emissions reductions of around **two-thirds** by 2030.

Figure iii: Estimated 2030 emissions profile (top). Emissions reductions in key sectors under the High Ambition Pathway (bottom).



Anthesis



White, James



Jones, Oliver



Thompson, Nathan



McDevitt, Millie



Richardson, Kate

Developing the strategy

The strategy has been developed over the period June to December 2020 during which time we engaged with around 140 individuals and organisations throughout the district.

Initial guidance was provided in 2019 by the setting up of the **Climate Change Scrutiny Panel**, a cross-party group that has fed into the development of the engagement plan and of the strategy goals and actions, and the **Sustainability Expert Panels** set up to provide the council with expert insight into developing the climate change strategy.

Experts include: individual experts in their field (eg. Planning and architecture); organisations such as the Sussex Wildlife Trust, University of Sussex, Environment Agency, NFU; and other councils such as East Sussex County Council.

A series of thematic workshops took place involving the 27 representatives on the Expert Panel, to review the **draft Climate Change and Sustainability Framework**.

The Council will continue to work with the group as a critical friend and will actively engage the group to deliver and progress the action plan.

The draft framework and goals were initially developed using an evidence base collated

from national research (such as the UK Climate Projections) [insert link] and the locally specific emission baseline reports such as the district and council carbon baseline reports that were completed by July 2020 and can be found at www.lewes-eastbourne.gov.uk/climatechange.gov.uk

In August 2020 the council commenced the public engagement using the draft framework which ran to the end of October 2020. This coincided with the first virtual meeting of the Climate Action Forum which was also used to engage with the attendees on the draft framework.



The engagement work and responses to the survey has provided direction and specificity to the revised over-arching goals and provided confidence to the council that we are heading in the right direction with our science-based ambition.

The Evidence Base

The need for a clear strategic path and a prioritised action plan has required an evidence base to inform its production. The Strategy and its appendices bring together this evidence to enable the action we must undertake as a local authority to 'get our own house in order' as well as activity the council shall need to do in the wider district to enable others to work towards the district wide net zero target.

Global and national research is useful at a high level, with the UK Climate Projections [insert link] being of most use locally, but we required an in-depth district analysis, this has been provided in the form of 2 Anthesis reports 'Lewes District Council Carbon Emissions Analysis and Pathways' and the subsequent 'Agriculture and Land-Use' study.

We have also carried out a baseline report on council operations.

A summary of the projections and the district and council baselines can be found in this section of the strategy and the full baseline reports can be found at www.lewes-eastbourne.gov.uk/climatechange

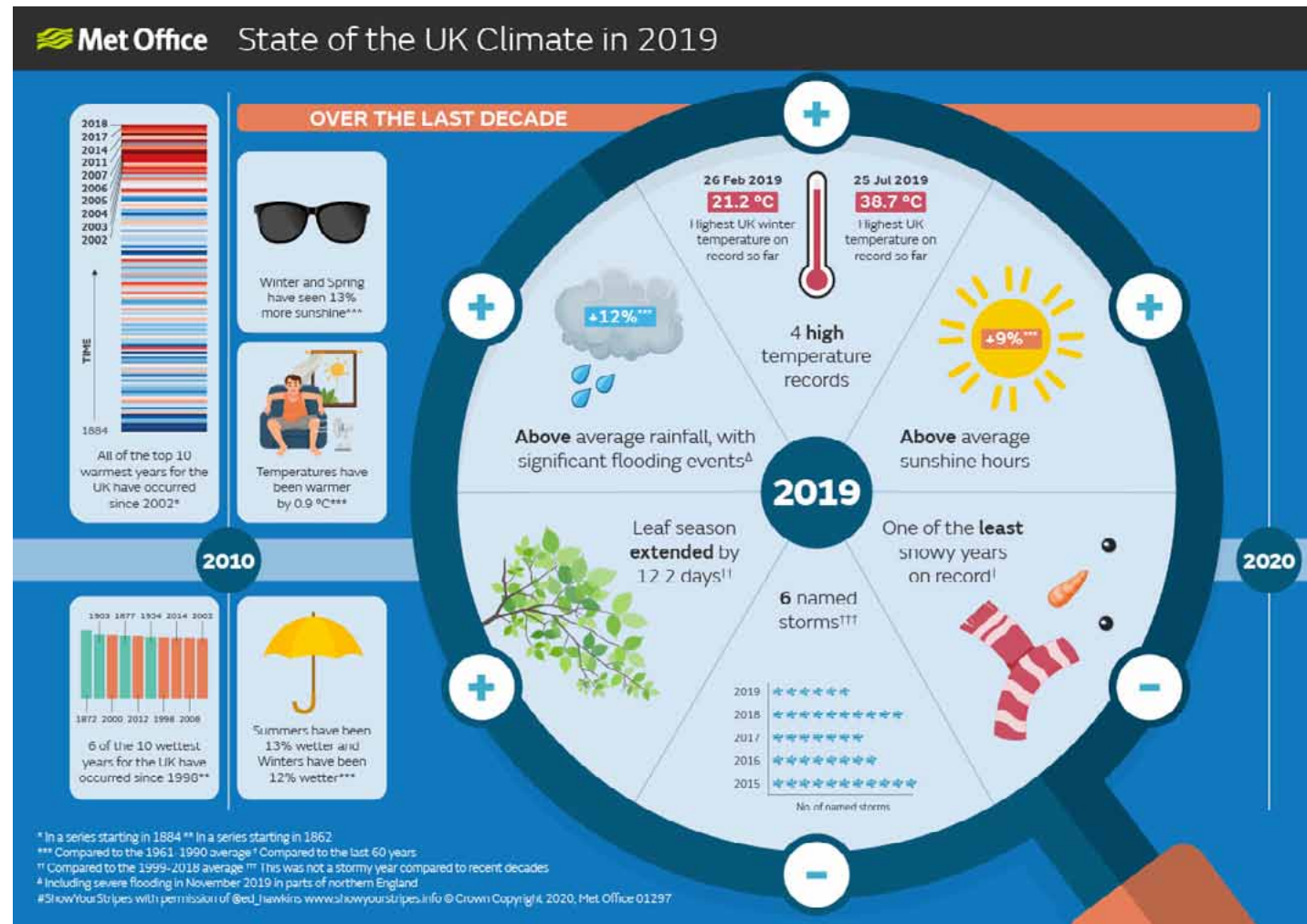
Adapting to Climate Change

The district must become resilient to the effects of climate change through adaptation, for example by preventing homes from overheating, and preventing further increases in emissions which will make these effects worse (mitigation).

The latest State of the UK Climate 2019 report [insert link] shows several indicators consistent with the expected effects of a warming climate.

General climate change trends projected over UK land for the 21st century in UK Climate Projections 2018 are broadly consistent with earlier projections (2009) showing an increased chance of warmer, wetter winters and hotter, drier summers along with an increase in the frequency and intensity of extremes.

You can find out more about how climate change may affect you by using this interactive tool developed by the BBC using the Met Office Climate Projections data. Click here to access the tool <https://www.bbc.co.uk/news/resources/idt-d6338d9f-8789-4bc2-b6d7-3691c0e7d138>

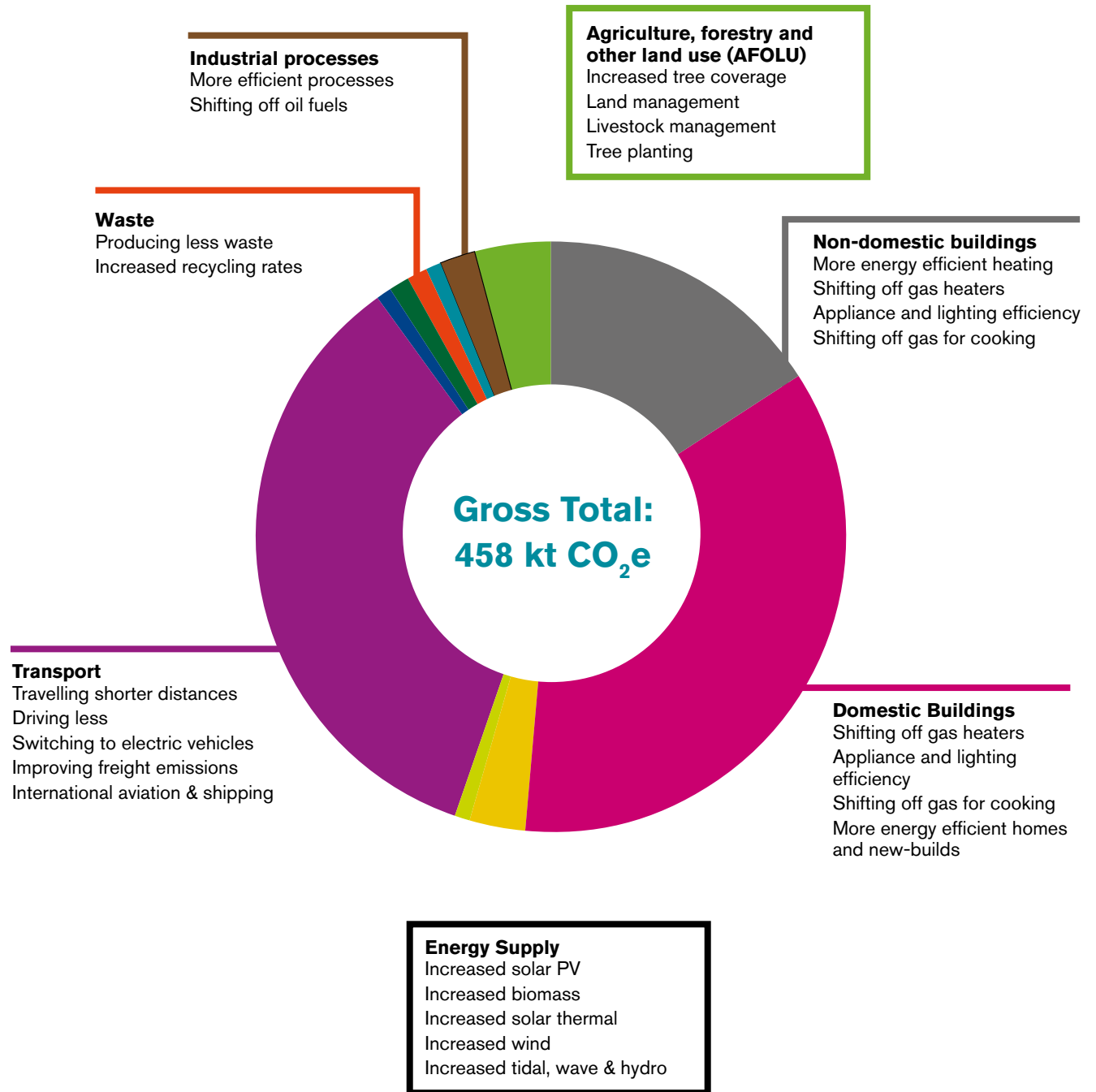


The District Baseline

Anthesis uses the SCATTER local authority emissions inventory tool to define an emissions profile for Lewes district based on 2017 data. SCATTER stands for Setting City Area Targets and Trajectories for Emissions Reductions.

The doughnut chart below defines the baseline emission profile and a summary of the high-level measures modelled within SCATTER to tackle and reduce those emissions.

- Industrial & institutional buildings **16%**
- Residential buildings **36%**
- Commercial buildings & facilities **3%**
- Agricultural fuel use **1%**
- On-road transport **35%**
- Rail transport **1%**
- Off-road transport **<1%**
- Solid waste disposal **<1%**
- Wastewater **1%**
- Industrial processes **2%**
- Livestock **4%**



The District Pathway to Net Zero

Baseline
458,000
tonnes CO₂e

56%

**BUILDINGS
EMISSIONS**

7%

**OTHER SOURCES:
WASTE, INDUSTRY
LIVESTOCK**

8%

**CURRENT
LAND USE
CARBON SINK**

37%

**TRANSPORT
EMISSIONS**

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This is a simplified summary of some large scale actions that have been modelled to meet our target based on current technology – for more information click [here](#) to read the full baseline report and the action plan.

1

Demand reduction

- 25% reduction in miles travelled per person
- More than 16,500 medium and deep retrofits to existing housing
- New homes built to PassivHaus standard or equivalent
- Waste has reduced by at least 24%
- At least 65% of waste is recycled
- Industrial process have become more efficient
- 20% reduction in consumption of meat and dairy

2

Decarbonise energy

- Get buildings off oil and gas
- At least 200 MW of renewable energy generation installed
- EV charging infrastructure in place

3

Tackle residual emissions

- 148,000 tonnes to be captured per year by 2030**
- 24% increase in forest cover by 2030
 - Planting a minimum of 48 hectares woodland per year
 - Community and council investment enabled for energy and nature projects

10%

0 CO₂

**NET ZERO
CARBON
BY 2030**

The Council Baseline

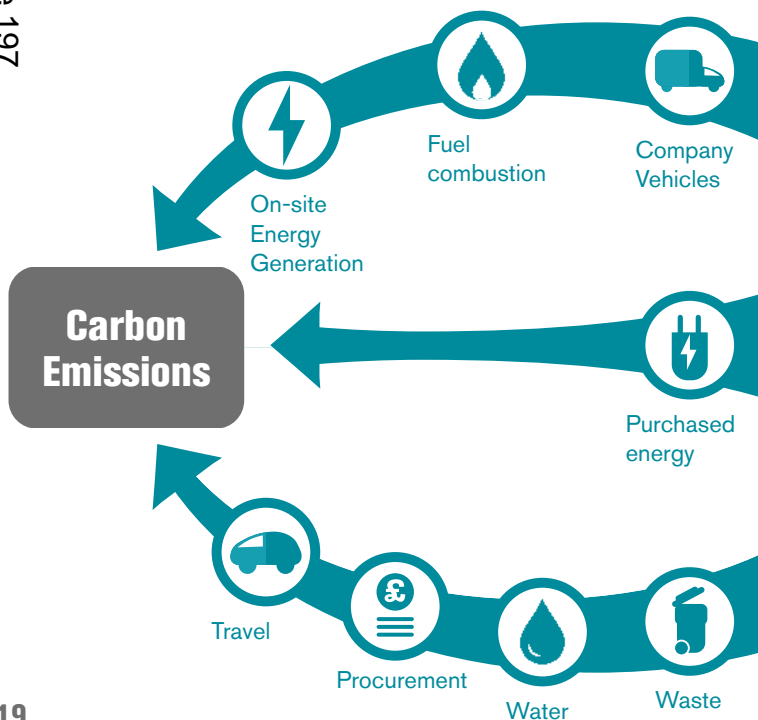
The Council's baseline is based on the Council's directly controllable consumption of gas, electricity and fuel; the baseline emissions for 2018/19 financial year are approximately 1,590 tonnes CO₂e (tCO₂e). This figure is included within the District wide emissions of 458,000 tCO₂e. As such the Council's baseline emissions account for just 0.3% of the overall footprint for the District.

Emissions are divided into three categories referred to as Scope 1, 2 and 3 as illustrated below.

Baseline emissions are reported as carbon dioxide equivalents (CO₂e) and are calculated using the Scope 1 and 2 emissions detailed in the table below.

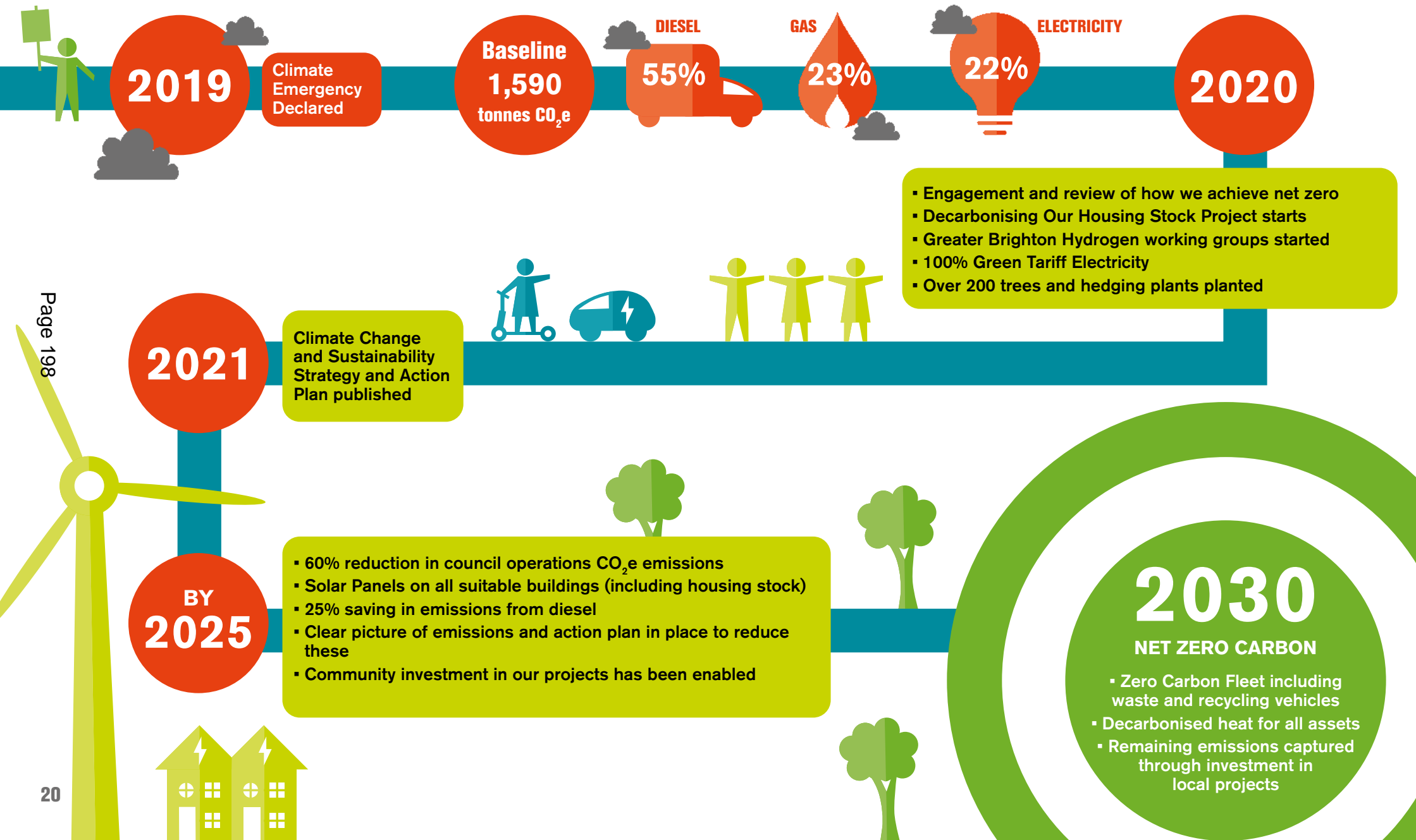
Scope 3 emissions are not something we directly control, they occur when we buy a product or service and the emissions are produced somewhere else. They can be more

difficult than scope 1 and 2 to determine accurately. We will report these emissions as our data collecting procedures improve and where we feel the figures will be accurate. Our ability to reduce emissions from scope 3 sources will also be more difficult but we will work to report them and will clarify those where we have influence or not (for example- our emissions from water use is within our sphere of influence, we can try to reduce consumption once we know what we consume accurately)



Category	Description	Data used in this analysis
SCOPE 1	Direct emissions from sources owned or controlled by Lewes District Council	Metered gas data (for buildings where the Council pay the gas bills) Litres of fuel consumed for fleet vehicles
SCOPE 2	Indirect emissions from the generation of energy purchased by Lewes District Council	Metered electricity data (for buildings where the Council pay the electricity bills)
SCOPE 3	Indirect emissions that result from other activities that occur in the value chain, either upstream or downstream	Not reported this year

The Council's Pathway to Net Zero



Part 4 – The Strategic Action Areas



Part 4 - The Strategic Action Areas

The 7 action areas set out in this Strategy provide the framework for the action plan through which we will focus our efforts in reducing emissions and improving climate resilience.



Some areas cross over, for example the built environment will link with aspects of sustainable transport, so some actions may impact on more than one area.

Each section provides a one-page overview with some facts on the current situation and the 2030 strategic goals. The second page provides a summary of the targets for the area along with key actions happening now or in the near term and the third page highlights a particular case study.

For more information and detail on the actions happening within each theme area please see the full Action Plan in section 6.

In developing the strategy, it became clear that some issues ran throughout all our action areas. These cross-cutting themes are:

Education & training

- Awareness raising and communication with residents- to enable and empower
- Education and training of the next generation
- Upskilling of existing trades to enable the transition to a low carbon economy
- Ongoing upskilling of council officers

Funding

- Developing community investment mechanisms to enable local sustainability and climate initiatives.
- Support of community initiatives by the council to provide confidence to investors/donors and provide oversight on project delivery and carbon savings.

Evidence and targets

- Good quality and reliable data and evidence is needed to back up our decision making and action prioritisation.
- Data and targets will need collating and updating- we need to ensure we are not duplicating the work of others or creating unnecessary work.

Planning policy and building control

- Strengthen planning policy in our new local plan and through guidance for, and early conversations with, developers.

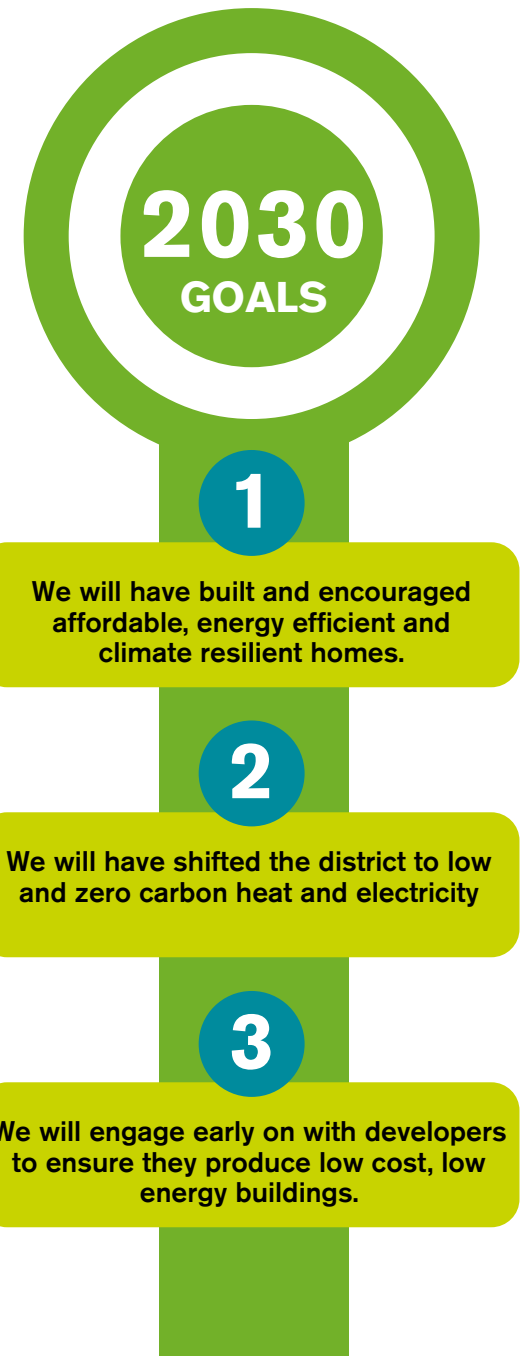
Supporting the action of others

- Obviously the council cannot deliver a net zero district alone but the strategy can support partnership working and the work of others across all action areas.

Energy and the Built Environment



Energy use is the largest source of emissions from our district. This action area covers all the energy consumed by everyone within our district with regards to heating and powering their homes and businesses. It also covers the councils own work to make its buildings net zero carbon and the things we can do to directly influence others such as through planning policy and our housing stock.





12_{MW}

**INCREASE
IN DISTRICT SOLAR
CAPACITY
BY 2025**

50%

**REDUCTION IN
COUNCIL ENERGY
CONSUMPTION
BY 2030**

60%

**REDUCTION IN
COUNCIL CARBON
EMISSIONS
BY 2025**

Key Council actions for 2021/22

- Decarbonising Our Housing Stock project - developing and carrying out energy efficiency and low carbon pilot studies so we can plan a way to decarbonise all of our housing by 2030
- Complete the Asset Review for our non-housing buildings and land- this will allow us to determine our route to net zero buildings and make the most of our other assets for the benefit of the whole district
- Work with the Greater Brighton Economic Board to develop hydrogen hubs
- Support investment in local renewable energy projects
- Support private homeowners and renters in accessing energy efficiency advice and grants such as through Warmer Sussex and the Government Green Homes Grant scheme

Key actions happening in the district:

- Solar schools - Regional work with community energy companies and East Sussex County Council to put solar panels on schools
- Projects to get rural villages off oil for heating and decarbonise electricity
- CommuniHeat Zero Carbon Village - Community Energy company OVESCO in conjunction with UKPN & Buro Happold and Community Energy South are producing a masterplan to decarbonise Barcombe by 2030
- Net Zero Firle - Community energy company BHESCO is leading this project to install a zero carbon micro grid for heat and power in this off-gas village

Spotlight on: Ovesco



OVESCO is the district's local community run energy services company enabling local investment in solar generation projects to reduce our dependency on imported energy.

So far they have built over 5.25MW including projects on Harveys Depot, Priory School, Kings Academy, Brickyard Farm, Barcombe Nurseries and Landport Community Centre amongst others. OVESCO are partners in wider funding bids including Ouse Valley CARES and Communiheat Net zero carbon village at Barcombe.

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Installation on the roof of Priory School, Lewes © Andrew Aitchison

PV installation at Kings Academy, Ringmer © LHW for OVESCO

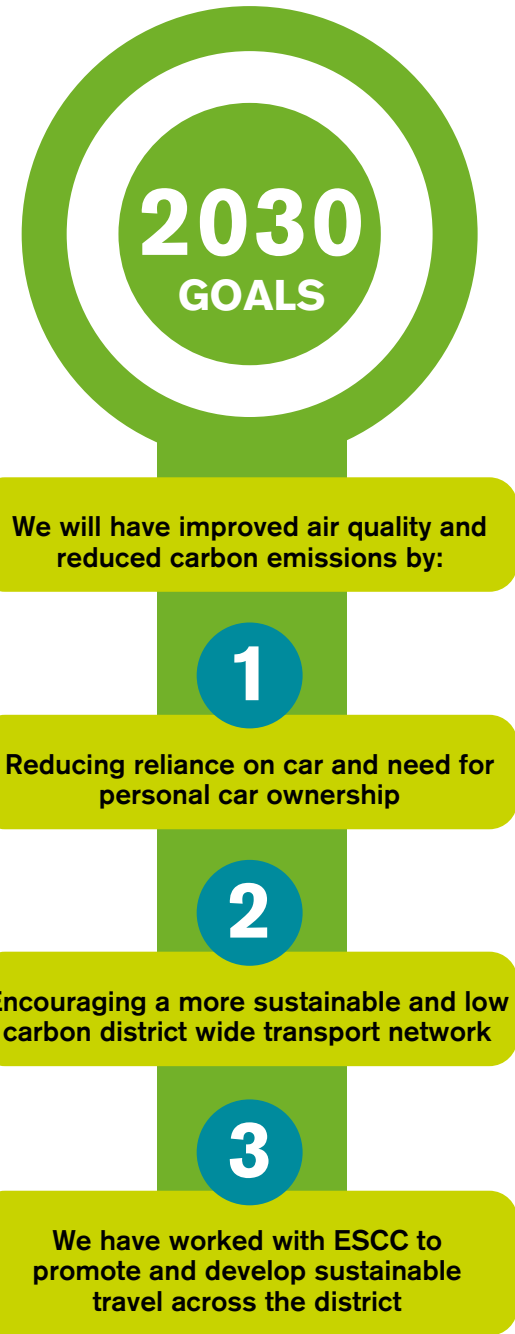
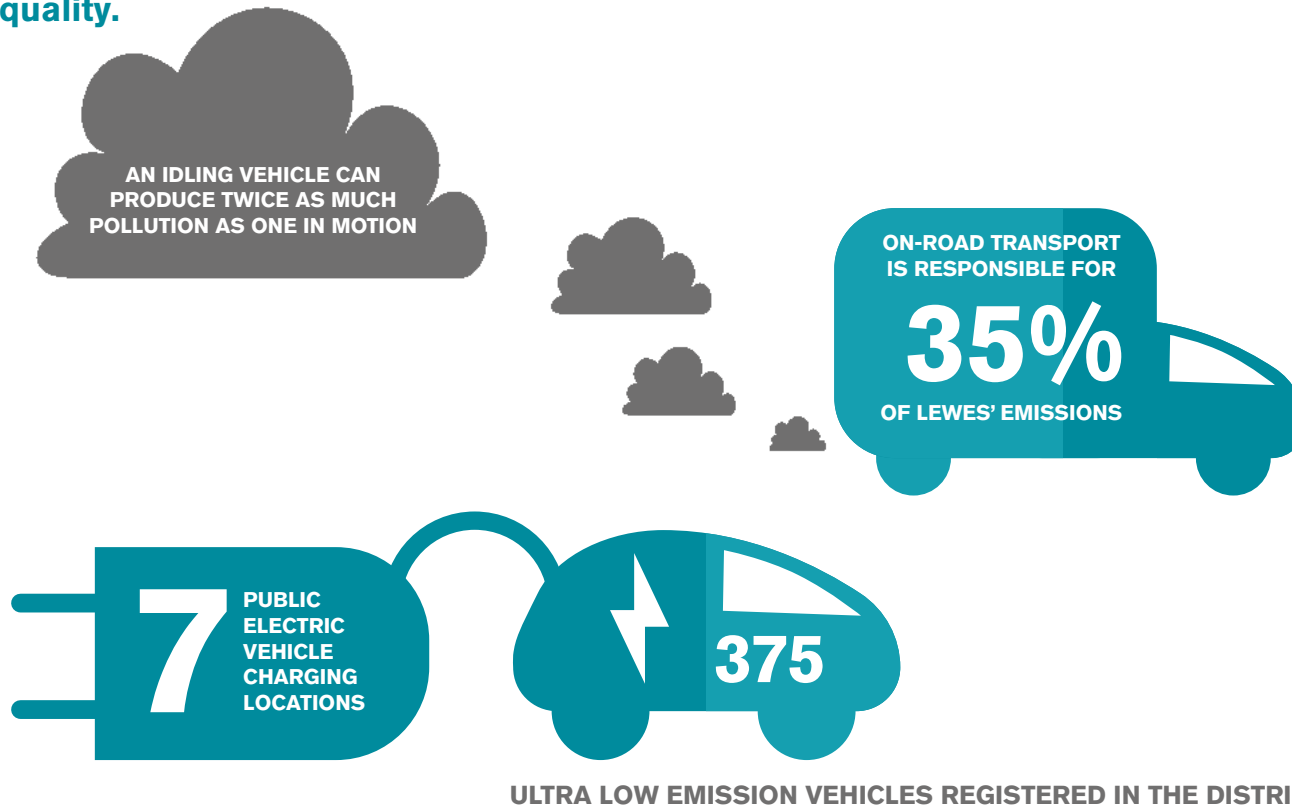
Sustainable travel and air quality



On-road transport is the second largest source of emissions in the district but it is something that the district council can only influence indirectly. We will facilitate change where we can by working with the community and East Sussex County Council to reduce the need to travel in the first instance and to provide active and low carbon travel options regardless of where in the district you live or travel to.

We have 2 Air Quality Management Areas – one in Lewes town and one in Newhaven. Both these areas have levels of nitrogen dioxide likely to exceed national air quality objectives. Transport is the main reason for the poor air quality.

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20%
REDUCTION
IN FLEET
FOSSIL FUEL
USE BY 2025

WE WILL
HAVE A ZERO
CARBON FLEET BY
2030

WE WILL
HAVE EV CHARGE
POINTS AND CYCLE
PARKING IN ALL
OUR CAR PARKS BY
2025

NEW AIR QUALITY
ACTION PLANS
FOR LEWES AND
NEWHAVEN BY END
2021

**Key Council
actions for
2021/22**

- Production of the fleet pathway to be zero carbon by 2030
- Assess all car parks for electric vehicle charge points and start installations
- Develop a path towards a low carbon taxi fleet
- New Air Quality Action Plans to be produced for Lewes and Newhaven

**Key actions
happening in
the district:**

- Working with East Sussex County Council to improve rural public transport
- Work with East Sussex County Council to deliver the new Local Cycling and Walking Infrastructure Plan
- Decarbonisation of public transport through use of hydrogen buses and delivering solar power direct to the railway through the Riding Sunbeams project
- Development of Hydrogen fueling hubs

Spotlight on: The Lewes Electric Car Show



The Lewes Electric Car Show has run now for 2 years thanks to Transition Town Lewes, OVESCO, Sussex EV Group and hosts Harvey's Brewery.

800 people visited the last show in 2019 which featured 21 hybrid and fully-electric cars and their owners plus a range of electric motorbikes and mopeds. The show has provided an opportunity for visitors to talk to real-life owners as well as EV experts on the realities of going electric.

Transition Town Lewes have put together some useful information on the show and EV's on their website here [\[insert link\]](#)

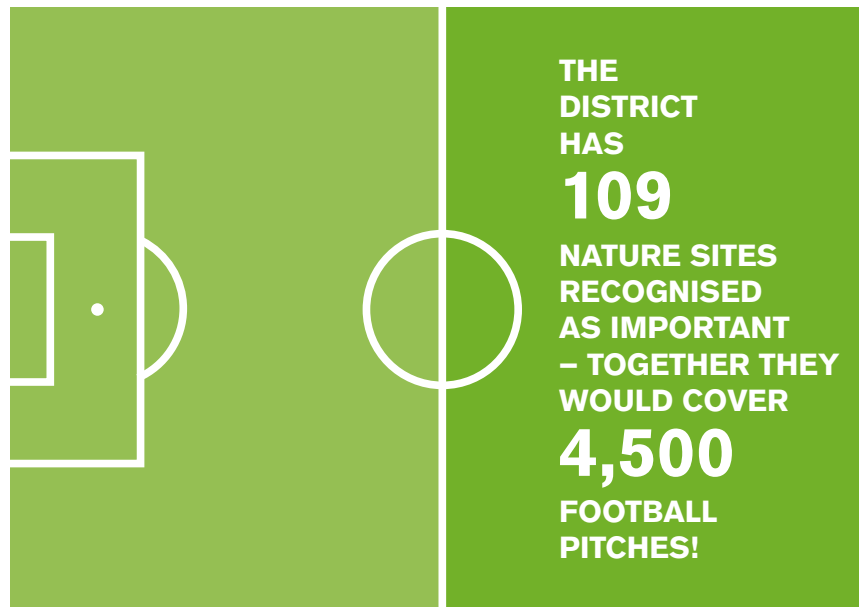
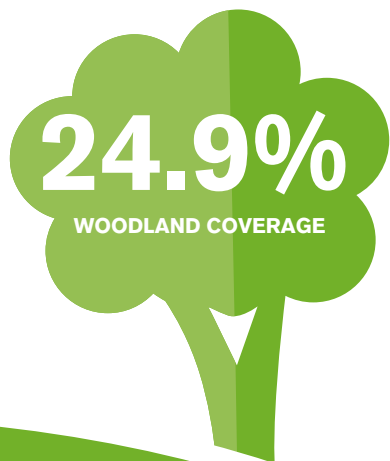
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Images courtesy of
Transition Town Lewes



The land (soil and plants) within the district currently captures 23.9 kt CO₂e per year. Biological diversity is essential and intrinsically linked to every part of our health, livelihoods and our future wellbeing. Healthy and resilient societies depend on giving nature the space it needs yet globally wildlife populations have reduced by 60% and insects by 75% since the 1970's. This action area includes work to improve our natural environment and capture carbon through nature based projects.



50%

OF THE DISTRICT IS WITHIN THE SOUTH DOWNS NATIONAL PARK

2030 GOALS

1

All developments maximise the opportunities for well considered net gains in biodiversity

2

We have increased biodiversity on Council owned and managed landholdings

3

We have engaged and enabled community led nature-based projects and we are involved in partnerships that promote natural capital across the district, including the coast and sea



ALL MAJOR DEVELOPMENTS TO ACHIEVE AT LEAST
20%
BIODIVERSITY NET GAIN BY 2025

METHOD TO DETERMINE LOCATIONS FOR TREE PLANTING WITHIN THE DISTRICT BY
2022

TO IMPLEMENT A CARBON CAPTURE FUND NO LATER THAN
2025

Key Council actions for 2021/22

- Adopt a Biodiversity Strategy and Action Plan
- Produce a Biodiversity Net Gain Technical Advice Note to advise developers
- Carry out biodiversity training for Officers
- Develop a way of funding community nature based projects
- Develop a method to measure the carbon capture of nature based projects

Key actions happening in the district:

- Partnership delivery of the Local Nature Partnerships 'Sussex Natural Capital Investment Strategy'
- Ouse Valley Cares – development of projects for a National Lottery Grant bid led by the South Downs National Park
- Changing Chalk- Partnership bid led by the National Trust to connect people to nature and address challenges faced by the South Downs

Spotlight on: Lewes Cemetery



Much of Lewes Cemetery is a Designated Local Wildlife Site, recognised as a natural wildflower meadow with many special and exceptionally valuable native plants such as the beautiful purple triangles of the Pyramidal Orchids, the vibrant yellows of the Mouse-ear Hawkweeds, and the hue of delicate white and yellow Bedstraws.

Lewes District Council has changed the management regime in parts of the Cemetery allowing 3.5 acres of traditionally mown grass to become a wildflower meadow. Surveys have been undertaken by the local group Wildflower Lewes and they have also undertaken wildflower plug planting.

To understand the importance of the bee and wasp populations in the cemetery, a series of visits was undertaken throughout summer and early autumn 2020 by James Power. These visits, which will only represent a snapshot of what is present, confirmed that the cemetery supports a good assemblage, including four nationally scarce species. In total, 72 bees and wasps were recorded, representing 34 species, 15% of the total number found in Sussex.

In November 2020 eighteen trees were planted around the perimeter of the Cemetery with the help and funding from the Friends of Lewes. Additionally in early 2021, with funding through the South Downs National Park Authority, works will be undertaken to create a hedgerow on the southern boundary and an area of disturbed ground will be returned to a chalk grassland wildflower meadow.

We are looking to manage the whole of the Cemetery more sensitively to wildlife; maintaining our pesticide free status and monitoring the condition of the wildflower populations to inform future cutting regimes.



Photo courtesy of Wilf Power

Agriculture and food



Emissions from agriculture account for more than 37kt CO₂e per year and are about 8% of the districts total emissions - this figure is slightly higher than is reported in our baseline report as we commissioned a further more detailed study into agricultural and land use that can be found here [\[insert link\]](#).

About 75% of these emissions are from livestock with the remaining 25% from fertilizer application and are typically nitrous oxide emissions

The Council will work with landowners and others such as the National Farmers Union and Sussex Wildlife Trust to work toward more sustainable farming methods and we will develop the local food economy.

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NFU TARGETS
UK NET ZERO
AGRICULTURE
BY
2040

TO HAVE ENGAGED
WITH ALL COUNCIL
TENANTS ABOUT FOOD
GROWING BY
2022

GOVERNANCE IN
PLACE AND A
DRAFT STRATEGY
FOR A FOOD
PARTNERSHIP BY
2022

Key Council actions for 2021/22

- Work with council tenants to enable food growing
- Identify possible land that could be made available for food growing
- Work with existing farmers/local food markets to expand on good practice and access new communities
- Work with district and regional partners on food networks and partnerships

Key actions happening in the district:

- Development of a district-wide food partnership
- Development of a food systems map
- Encouragement of nature friendly farming through the South East Downs Farm Cluster

Spotlight on: Lewes Friday Food Market



Lewes Friday Food Market grew from an idea developed by volunteers from the Transition Town Lewes Food Group and has developed to be run by the Lewes Local Community Interest Company as a not-for-profit initiative. It has main aims of:

- Developing and supporting sustainable local food systems and culture
- Making it easier for people to buy good quality, healthy, seasonal food
- Supporting and providing a platform for small local food producers and growers
- Reducing the use of single use plastic
- Supporting distribution methods which reduce carbon emissions
- Supporting food related community initiatives and the local economy

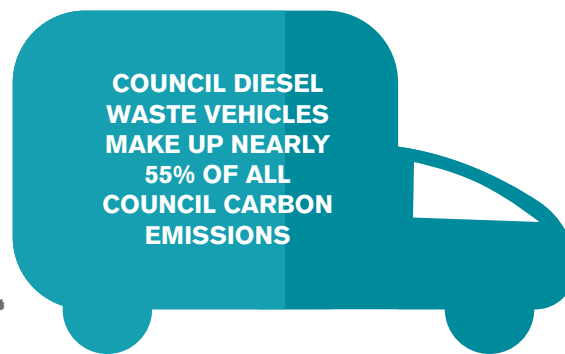


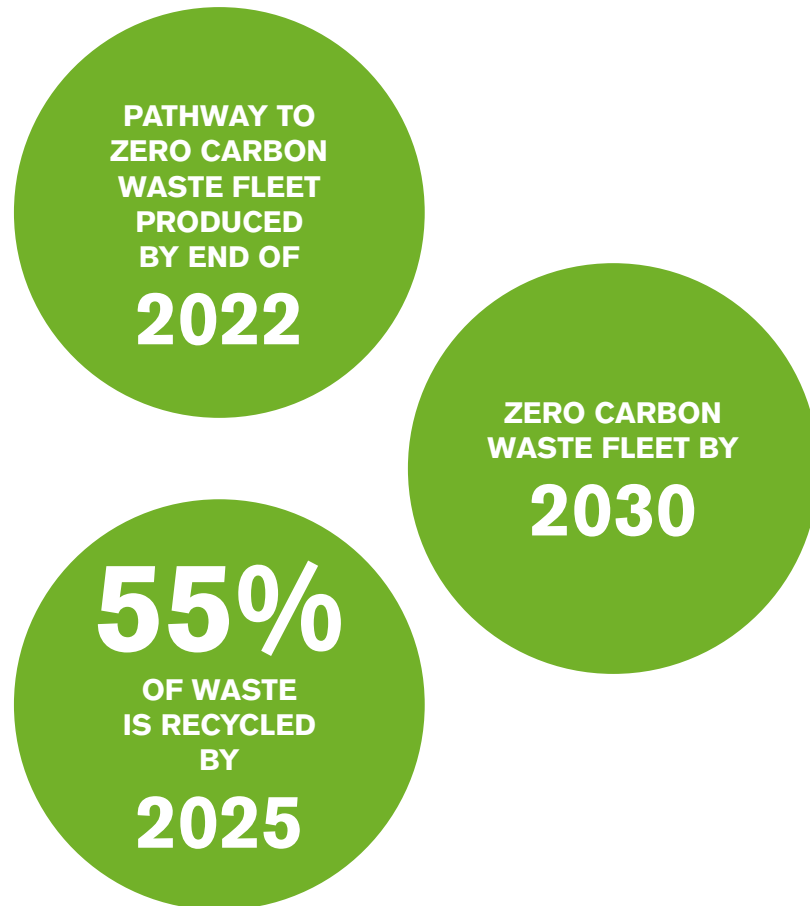
Reducing Emissions from Waste



To reduce emissions from the waste we generate we must work to reduce the districts waste first, then increase the amount we recycle. The council collects around 278kg of waste per person per year and that which is not recycled is incinerated.

Within this action area we include the emissions from our waste collection vehicles, this source of emissions is over half of the total council carbon baseline. The vehicles are currently run on diesel which contains other pollutants as well that lead to poor air quality and pollution.





Key Council actions for 2021/22

- Undertake the waste fleet review
- Eliminate use of unnecessary paper within Democratic Services
- Prepare a communications plan to encourage Reduce, Re-use, Recycle
- Develop and take forward new planning guidance to reduce construction waste

Key actions happening in the district:

- Local REFILL campaigns to promote access to water and reduce plastic bottles [[insert link](#)]
- Plastic Free initiatives [[insert link](#)]
- East Sussex County Council review of the Waste and Mineral Local Plan (next consultation due 2021)

Spotlight on: Refill Seaford & Newhaven



Refill Seaford and Newhaven

In January 2018 a group of local people decided to take action, having completed beach and beauty spot litter picks in the past we decided to set up a Facebook Group to raise awareness and to encourage people to reduce single-use plastic from their lives.

The initial response has been encouraging from a variety of businesses, now we want to spread the word wider and involve more and more local organisations and businesses.

The official launch was at Frankie's Beach café on Seaford Esplanade on 1st September 2018 mainly sponsored by South East Water and assisted by some great local volunteers.

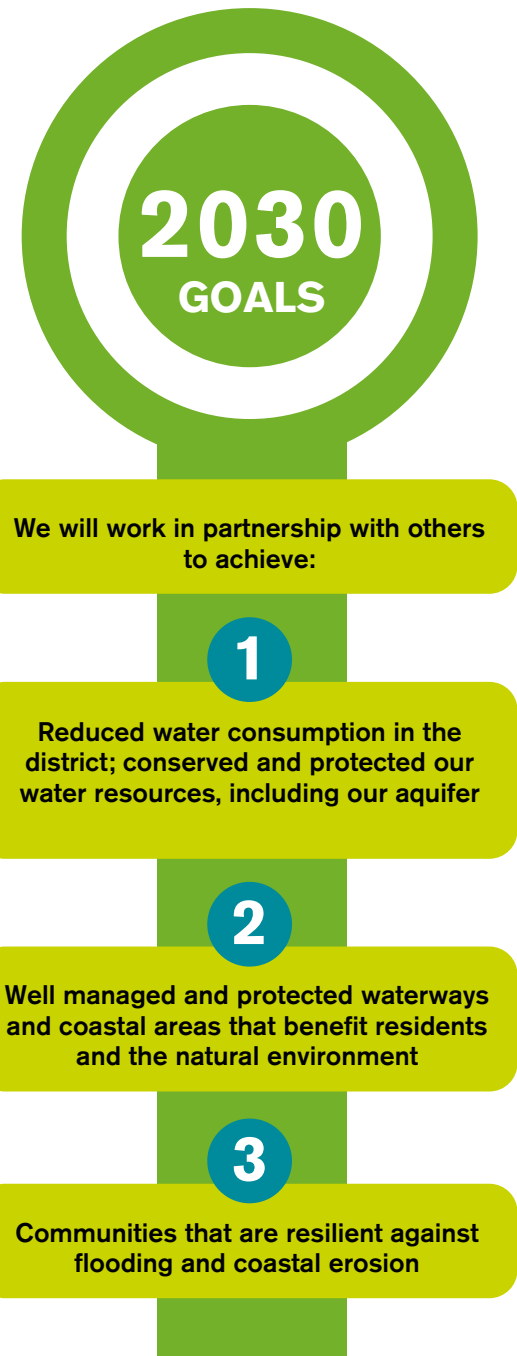
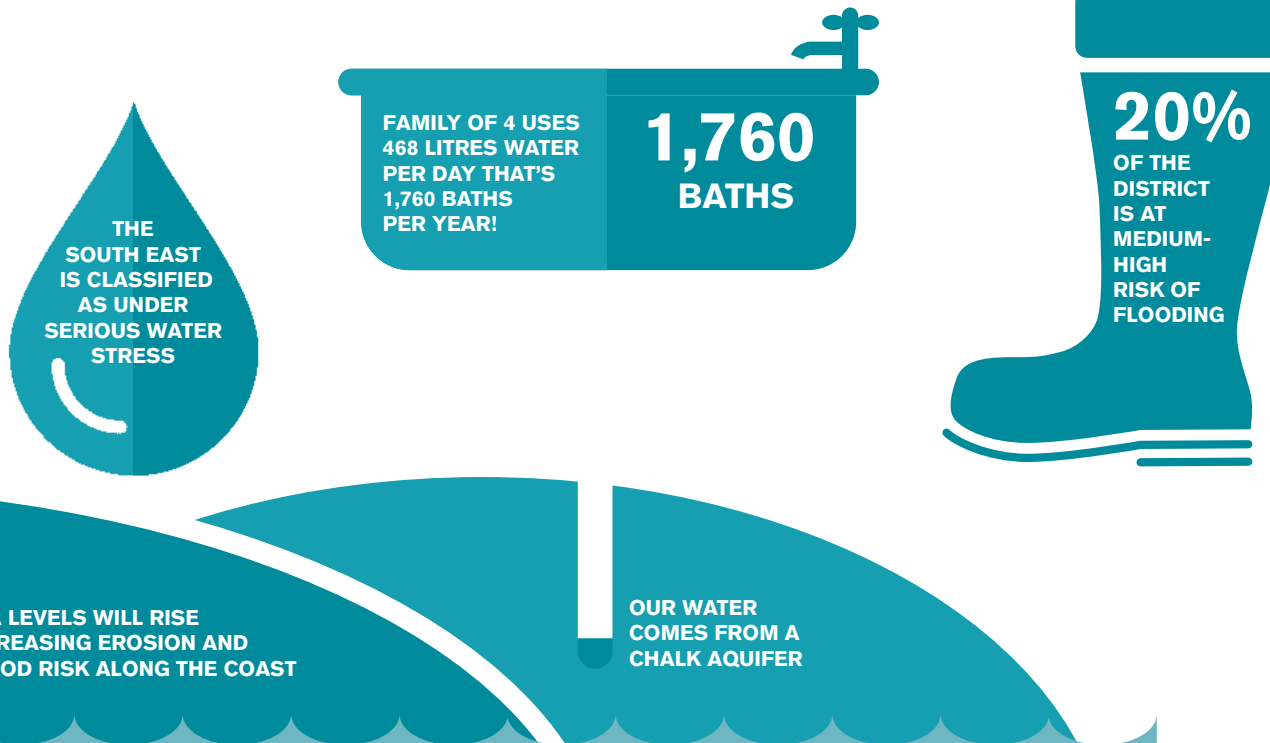




This action area covers the full spectrum of water use and impacts within the district. It covers water consumption as well as flooding from rivers, surface water and the sea and also includes coastal erosion.

We expect to see warmer and drier summers increase water consumption whilst milder and wetter winters will likely see us experience more flooding. Severe rainfall events are likely to increase throughout the year further increasing the risk of flooding.

Whether delivering coastal erosion or flood protection the mechanisms for delivery is complex and the works themselves are expensive, delivered at locations where are inherently dangerous. There is no duty to deliver flood or coastal protection, the Environment Agency and local authorities operate under permissive powers. Partnership working is essential and complex.





100
LITRES
OR LESS WATER
CONSUMED PER
PERSON PER DAY
BY 2030

NEW BUILDS TO
BE WATER
NEUTRAL BY
2030

SOUTHERN
WATER TO
DELIVER UP TO
50,000
WATER EFFICIENCY
AUDITS BY END
OF 2021

ZERO
NEW BUILD
UNITS APPROVED
CONTRARY TO
ENVIRONMENT
ADVICE
REGARDING
FLOODING

Key Council actions for 2021/22

- Work in partnership with the Environment Agency to explore the options viable to manage the risks posed by the undefended cliffs at The Esplanade, Telscombe Cliffs.
- Host coastal management workshop
- Prepare communications (in partnership with water companies) with residents on reducing domestic water use
- Work with partners to develop comms and possible incentives for developers to reduce water consumption and mitigate flood risk
- Produce guidance for developers targeting 100 litres per day in new builds

Key actions happening in the district:

- Expansion of the successful Sussex Flow Initiative to promote natural flood management
- Southern Water's Target 100 campaign to reduce water use
- Southern Water's domestic water efficiency audits
- The Aquifer Partnership will continue to collate knowledge and understanding of our aquifer in order to help us all protect it.

Spotlight on: Sussex Flow Initiative



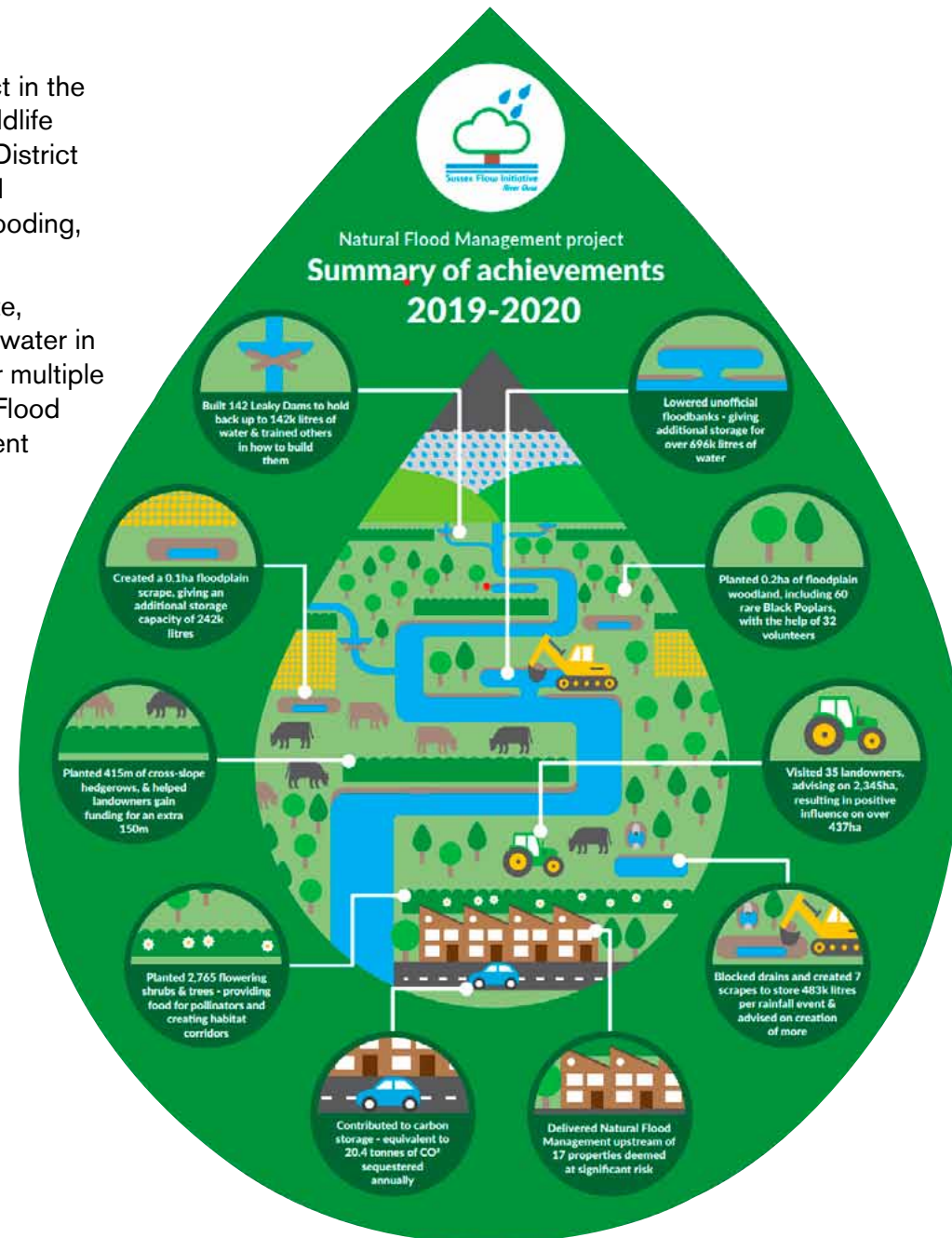
Sussex Flow Initiative

Sussex Flow Initiative (SFI) is a natural flood management project in the River Ouse catchment, and is a partnership between Sussex Wildlife Trust, the Woodland Trust, the Environment Agency and Lewes District Council. The project was originally set up to see if Natural Flood Management (NFM) measures can create positive benefits for flooding, the environment and society in a lowland setting.

SFI works with landowners, local people and others to investigate, promote and create natural features designed to slow and store water in the landscape and to help reduce flood peaks. We aim to deliver multiple benefits for people and wildlife, as well as to show how Natural Flood Management can be used to support traditional flood management methods to help reduce flooding.

Our Natural Flood Management work includes:

- Introducing Large Woody Debris – leaky dams
- Ditch blocking
- Flood storage areas
- Recreating and restoring washland meadows
- Managing and creating riparian corridors
- Cross-slope hedge planting
- Riparian tree planting (along riverbanks)
- Woodland planting and management
- Soil management to improve capacity to absorb water (infiltration)





The Community wealth building (CWB) approach sits alongside sustainability as the two key policy drivers for the council. As an anchor institution the council can use its spending power and influence to drive investment into the local economy enabling a green economic recovery and local job creation and retention.

The Circular economy seeks to keep resources in use for as long as possible then recover and regenerate the materials at the end of each service life – it links with the CWB agenda in that we can generate local employment and wealth by doing this within our community – re-use networks are a good example of this.

This action area links with many of the other areas within this strategy through things such as decarbonising our housing and creation of community investment vehicles.



1

The Council has a sustainable procurement policy that facilitates local supply chains and encourages a circular economy

2

The council has enabled local re-use networks

3

Investment has been made into the local urban, coastal and rural economies increasing local employment opportunities and reducing income inequality

4

Local skills, supply chains and employment opportunities are improved as a result of our partnerships with East Sussex College Group, public sector organisations, social enterprises, cooperative businesses, as well as other forms of business, particularly focussing on clean and green technologies

Circular Economy and Community Wealth

The Council commissioned the Centre for Local Economic Strategies (CLES) to undertake a diagnostic study and consequently offer recommendations to the council on how it could deliver a CWB based approach to its work. This study was undertaken during the summer of 2020 and involved in-depth interviews with a range of council staff and partners, as well as consideration of various council policy and strategy documentation.

‘Re-imagining Lewes District Action Plan’ was informed by the final report and will develop 5 pillars of Community Wealth Building using the power and influence of the Council as an anchor institution with a procurement spend of over £7.5 million per year to build a platform for greater local and community ownership of the economy whilst building back a greener post-COVID economy.





COMMUNITY INVESTMENT IN LOCAL PROJECTS IS POSSIBLE NO LATER THAN
2025

AT LEAST HALF OF ANNUAL COUNCIL SPEND IS WITH SUSSEX BASED PROVIDERS BY
2030

ALL ANCHOR INSTITUTIONS WITHIN THE DISTRICT HAVE TAKEN UP THE CWB APPROACH

Key Council actions for 2021/22

- Deliver the Reimagining Lewes District Action Plan
- Mobilise a district wide approach to develop the green economy
- Analyse procurement and commissioning spend
- Develop a localised social value framework
- Deliver the Net Zero Innovation Fund project – Alternative finance models

Key actions happening in the district:

- Team East Sussex Plan- 'think local, act local' embedded as key mission to focus procurement on local providers.
- Greater Brighton Economic Board 3 pillar approach to recovery of economic, environmental and social resilience
- Set up of Lewes District Anchor Network

Spotlight on: Locally constructed social housing



A new development of highly sustainable council homes in Newhaven has been completed during 2020. The 13 modular flats in Fort Road incorporate a host of eco-friendly and sustainable features, including the latest solar panels that will feed energy into hi-tech batteries, effectively taking the homes 'off-grid' for up to three months of the year.

The two-bedroom and one-bedroom apartments have been built by local employer Boutique Modern, a specialist manufacturer of modular homes. The firm designs and builds the properties in their local factory in Newhaven before moving them to the site for installation. 60% of the workforce on this project came from the local college.



Part 5

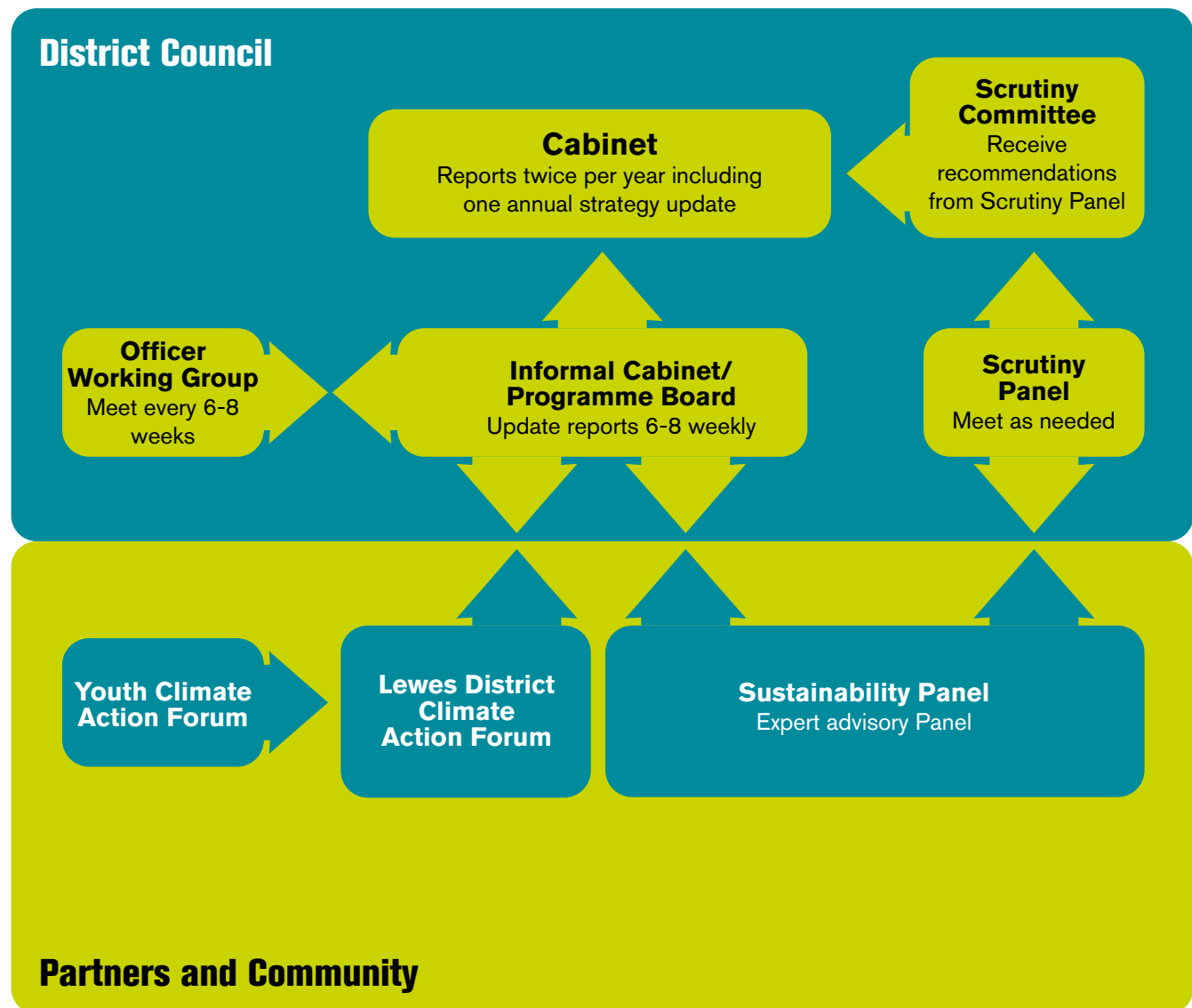
Delivering the strategy



Delivering the Strategy

The council acknowledges that some areas of the action plan are less developed than others and some workstreams will evolve over time as we work out the best solutions. We also appreciate the amount of time that can be spent on monitoring and reporting to the detriment of project delivery.

To ensure the action plan has appropriate monitoring and oversight at a senior level within the council the strategy will be overseen as follows:



Tackling Residual Emissions

In order to achieve the net zero carbon goal it is expected that the Council will have to carry out some degree of offsetting.

Offsetting is where we pay an amount of money towards projects that reduce carbon emissions somewhere else to the value of the emissions we are still generating.

We are clear that direct action to reduce consumption and emissions is our priority.

'Offsetting' will be considered only as a last resort when no other option exists.

There was clear direction from the draft framework engagement that locally-based projects should be considered before anything out of boundary (called 'Insetting'). It was generally accepted that due to cost the council should not be expected to offset emissions outside of its baseline (scope 3) but that the council should show clear reductions in these indirect emissions to 2030.

The council has committed to invest in projects to capture the residual emissions from its own operations (direct scope 1 & scope 2 sources) by 2030 and will assess the cost of including known scope 3.

We will explore opportunities for projects that capture carbon either through natural carbon sequestration (such as tree planting) or through technological innovation (such as investing in local solar power).

We will research and develop the methodology we could use for primarily local, but possibly regional projects to meet any council residual emissions by 2030.

We will use the opportunity provided to us by the Net Zero Innovation Fund to investigate the potential to **enable community investment** in these or similar projects. This may be in the form of some kind of **council backed community bond** or a **donation-based community fund**, or a combination of the two.

These alternative funding mechanisms will supplement other available funding streams.

It is possible that regional work (such as that by Ouse Valley CARES and the Sussex Local Nature Partnership) on this subject may offer alternative or complimentary models of tackling residual emissions.



Part 6

The Action Plan and Sustainability Indicators

The action plan details the actions underway and planned to start to address the strategic challenges and goals set out in this strategy. The action plan is a live document managed by the internal council Officer Working Group and the Strategy & Partnership Lead-Sustainability.

The plan will be updated and published annually in September.

Alongside this plan sits a suite of indicators. Those that can be reported now have been but some are still in development and depend on the ability to get baseline data. Finalising the indicators will be a key task for inclusion in the 2021 update report.



The Action Plan 2021

TIMEFRAMES

Short	2021-2022
Medium	2023-2026
Long	2027-2030

Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME	RESOURCES
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1. Energy & the built environment

Actions by the council to enable the District to become net zero carbon by 2030

E1	Complete social housing stock condition surveys	Provides baseline information to enable retrofit and long term planning	Director of Planning and Regeneration & Cabinet Member for Housing	Jul-21			Can be delivered using existing resources
E2	Develop and deliver the project plan for the 'Decarbonising Our Housing Stock (DOHS)' project in conjunction with other stock holding authorities *January 2021- leaders meeting to establish extent of initial collaboration *Procurement routes to be established 2021 *Determine initial pilot projects 2021	Best value is achieved through collaborative working, best solutions are determined and method is agreed to deploy retrofit measures, initially as pilots with a plan developed for roll out of appropriate solutions across the portfolio	Director of Planning and Regeneration & Cabinet Members for Housing, Communities & Customers and Sustainability	Short Term			£500k allocated from HRA
E3	Develop and deliver a project plan to decarbonise all social housing based on findings and experience of the DOHS project (action E3)	All social housing is as energy efficient as it can be and carbon emissions are reduced as far as practicably possible	Director of Planning and Regeneration & Cabinet Members for Housing and Sustainability		Medium Term	Long Term	Delivery costs to be determined once plan is prepared
E4	Implement the actions defined in the Lewes Housing Strategy TBA	Housing standards in the rented sector improve	Director of Planning and Regeneration & Cabinet Member for Housing	Short Term	Medium Term		Can be delivered using existing resources
E5	Explore opportunities with Southern Water on capturing and using heat from waste water	Low carbon heat source enabled	Director of Planning and Regeneration & Cabinet Members for Planning & Infrastructure and Sustainability	Short Term	Medium Term	Long Term	Can be delivered using existing resources
E6	Support and progress development of hydrogen hubs	Enable and develop a clean hydrogen economy for transport and heating	Director of Planning and Regeneration & Cabinet Members for Planning & Infrastructure and Sustainability	Short Term	Medium Term		Can be delivered using existing resources

E7	Enable and invest in community energy schemes where this is financially viable	Community energy schemes are supported to deliver projects	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure and Sustainability	Short Term	Medium Term	Long Term	Project specific
E8	Introduce new sustainability Technical Advice Notes for developers (February 2021)- subsequently investigate potential for a more indepth Sustainable Design guide for developers that could link to circular economy work	Developers are advised as to expectations for new development and can easily access information on how to design for sustainability	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term			Can be delivered using existing resources
E9	Develop an ongoing programme of awareness raising and promotion of energy efficiency initiatives, especially in fuel poor and hard to reach communities	Educate and raise awareness, those most vulnerable benefit from energy efficiency advice and measures	Director of Planning and Regeneration & Cabinet Member for Communities & Customers	Short Term	Medium Term	Long Term	Can be delivered using existing resources
E10	Develop council web pages on sustainability and air quality to enable visitors to the web pages to better engage and understand the council's aspirations thereby increasing web traffic and raising public awareness.	Educate and raise awareness.	Director of Planning and Regeneration & Cabinet Member for Communities & Customers	Short Term	Medium Term	Long Term	Can be delivered using existing resources
E11	Develop comprehensive training and guidance for staff on climate change and carbon reduction. Also specific training to ensure decisions properly take into account the carbon emission implications	All staff will improve their environmental awareness to enable carbon reductions in their work and private life. It will be clear to Councillors, officers and the public the carbon consequences of all decisions	Director of Planning and Regeneration & Cabinet Members for Performance & People and Sustainability	Short Term			Can be delivered using existing resources
E12	Work in collaboration with others to advertise the Governments Green Homes Grant and associated funding streams	Private sector housing can access funds to help retrofit and improve energy efficiency	Director of Planning and Regeneration & Cabinet Member for Communities & Customers	Short Term			Can be delivered using existing resources
E13	Work in collaboration with others to develop bids for the Local authority delivery strands of the Governments Green Homes Grant and associated funding streams	Public and private sector housing can access funds to help retrofit and improve energy efficiency	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term			
E14	Promote the Warmer Sussex retrofit scheme	Private sector homeowners have easier access to retrofitting advice and suppliers	Director of Planning and Regeneration & Cabinet Members for Housing and Communities & Customers and Sustainability	Short Term			Can be delivered using existing resources
E15	Support and facilitate access to the Warm Homes East Sussex scheme	Fuel poverty on the borough reduces	Director of Planning and Regeneration & Cabinet Member for Housing and Communities & Customers	Short Term	Medium Term	Long Term	Can be delivered using existing resources

E16	Support the roll out of smart meters through promotion of the SmartEnergyGB scheme	Supports transition to smart energy grid and makes energy use more visible to residents which enables reductions	Director of Planning and Regeneration & Cabinet Member for Housing and Communities & Customers	Short Term	Medium Term		Can be delivered using existing resources
E17	Support delivery of regional plans- the Greater Brighton Energy Plan and the South2East Energy Strategy	Decarbonisation at a regional level is progressed and joint aims are met	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term	Medium Term	Long Term	Can be delivered using existing resources
E18	Support the delivery of Communiflex- Zero Carbon Village	Transformation of Barcombe communities energy system to become the UK's first Net Zero Village	OVESCO leading	Short Term	Medium Term		Externally funded
E19	Support the delivery of Net Zero Firle Village	Creation of a local microgrid for heat and power	BHESCo	Short Term	Medium Term		Externally funded
E20	Support the delivery of Solar Schools to achieve regional aims	Expansion of PV on schools	ESCC in partnership	Short Term	Medium Term		Externally funded
Actions to make the Council net zero carbon by 2030							
E21	Complete the Asset Management Strategy (inc. work through Reset & Recovery Programme)	The strategy will enable a long term plan to be developed to reduce energy consumption and increase power generation on our assets	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term			Strategy can be delivered using existing resources- projects will then need costing on a case by case basis
E22	Once Asset Management Strategy is complete- Develop a carbon reduction plan for all remaining non-housing assets	Plan allows for structured and planned delivery to meet carbon neutrality goal	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term	Medium Term		Can be delivered using existing resources
E23	Deliver the carbon reduction plan for non-housing assets	Non-housing assets are energy efficient and generating energy	Director of Planning and Regeneration & Cabinet Member for Finance & Assets and Sustainability		Medium Term	Long Term	Delivery costs to be determined once plan is prepared
E24	Ensure the the council purchases a green electricity provider	100% of electricity supplied will be REGO backed energy that will qualify a 100% reduction in carbon emissions from consumed electricity	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term	Medium Term	Long Term	Completed October 2020

2. Sustainable Travel and Air Quality

Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME			RESOURCES
Actions by the council to enable the District to become net zero carbon by 2030							
T1	Evaluate car parks for EV charging and prepare proposal for consideration by Councillors by June 2021	The council can make a decision as to how to progress with increasing charging infrastructure in the town and a new project delivery action will be created if this goes ahead	Director of Service Delivery & Cabinet Members for Finance & Assets and Sustainability	Short Term			Proposal can be delivered using existing resources- implementation TBC
T2	Prepare a plan during 2021 to hold regular Car Free Days/temporary road closures such as School Streets especially in areas of high foot fall	Gradual modal shift to reduce private vehicle travel and sustainable travel becoming the norm	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
T3	Prepare a plan during 2021 to promote active travel across Lewes District from a public health perspective - work with NHS partners to promote walking groups for example	Improved public health, better AQ and lots of engaging material for the LDC AQ/sustainability web pages/Twitter feed/local media	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
T4	Prepare a plan during 2021 to hold sustainability/air quality events with Theatre in Action groups, smoothie bikes, Dr Bike, community groups, etc.	Bringing awareness of AQ/ Sustainability issues to a personal level in a positive and fun environment	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
T5	Determine if the council can produce a Construction Code of Practice with guidance on use of low emission non-road mobile machinery and using on-grid energy instead of diesel generators where reasonably practicable	Lowering of emissions from construction sites, particularly in relation to NRMM	Director of Planning and Regeneration & Cabinet Members for Sustainability and Planning & Infrastructure	Short Term			Can be delivered using existing resources
T6	Ensure that local planning policy and guidance includes requirements for passive and active EVCPs and cycle parking on all new major developments	Increase of sustainable travel infrastructure utilising planning policy	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term	Medium Term	Long Term	Can be delivered using existing resources
T7	Work in partnership with ESCC to deliver new cycling and walking initiatives as detailed in the Draft East Sussex Local Cycling & Walking Infrastructure Plan (LCWIP) and seek opportunities for funding.	Additional cycling and walking routes	Director of Planning and Regeneration & Cabinet Members for Planning & Infrastructure and Sustainability	Short Term	Medium Term		Can be delivered using existing resources
T8	Support development of hydrogen hubs (as per action E6)	Enable and develop a clean hydrogen economy for transport and heating	Director of Planning and Regeneration & Cabinet Members for Planning & Infrastructure and Sustainability	Short Term	Medium Term		

T9	Support Greater Brighton to develop a network of EV chargepoints so that all residents are 'within a convenient distance' of a place to charge their car (Pledge #4)	Coherent network is developed	Director of Planning and Regeneration & Cabinet Members for Planning & Infrastructure and Sustainability	Short Term	Medium Term		
T10	Work in partnership with Greater Brighton to have enabled 50% of Greater Brighton's fleet vehicles to be low carbon by 2025 (Pledge #3)		Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term	Medium Term		
T11	Enable expansion of car clubs through discussions with operators, parking space owners and the community	Residents can car share instead of owning their own vehicle- reduces vehicle numbers in town and provides control over type/efficiency of vehicle used.	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term	Medium Term		Can be delivered using existing resources
T12	Determine how to support reduction in emissions from deliveries to local businesses/residents in particular 'last mile deliveries.' Eco - cargo bikes, restricted delivery times, provision of logistics facilities.	Reduction of traffic and emissions during peak travel times. Healthier, quieter and less polluted streets with potential to prioritise walkers/cyclists so increasing dwell time and improving local economy	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
T13	Determine if the council can install pocket parks, micro green/blue spaces to improve diversity and AQ encouraging active travel	Raises appeal of active travel to visitors and residents	Director of Planning and Regeneration & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources
T14	Develop a localised and targeted education campaign aimed at public service vehicles, consider adopting FPN powers	Discourage unnecessary idling by taxis, coaches and other vehicles	Director of Service Delivery & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
T15	Develop a pathway to a low carbon taxi fleet	Reduced carbon emissions and improved air quality	Director of Service Delivery & Cabinet Member for Sustainability	Short Term	Medium Term		Can be delivered using existing resources
T16	Organise partnership work on transport issues required at a county level and nationally, in partnership with community groups- in particular public transport and trains	Coherent district infrastructure is delivered to achieve transport decarbonisation aims	Director of Planning and Regeneration & Cabinet Members for Sustainability and Planning & Infrastructure	Short Term	Medium Term		Can be delivered using existing resources
Actions to make the Council net zero carbon by 2030							
T17	Complete Phase 1 of the waste and recycling vehicle fleet review	Optimisation of routes and fleet reduction	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources

T18	Produce pathway to decarbonise non- RCV fleet vehicles operated by the Council (small & medium vans, cars, other vehicles) TBD at Fleet Working Group 17 Dec	Plan to move to a low carbon fleet	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Fleet decisions to be costed at the appropriate time
T19	Remove fossil fuel fleet vehicles (small and medium vans, cars, other vehicles)	Low carbon fleet achieved	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces		Medium Term	Long Term	Fleet decisions to be costed at the appropriate time
T20	Introduce sustainability criteria into council procurement policies with weighting given to tenderers with proven sustainability policy particularly in the areas of logistics and servicing due to their high vehicle use and emissions	Support for sub-contractors with green credentials to work with LEC	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources

3. Biodiversity

Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME			RESOURCES
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Actions by the council to enable the District to become net zero carbon by 2030 and to address the ecological emergency

B1	Develop and adopt a Biodiversity Strategy and action plan	We will have developed our aims and actions to deliver biodiversity improvements	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources
B2	Local Plans – work closely with Planning Policy and planners to achieve biodiversity wording that is fit for purpose and ambitious to arrest declines	Green and biodiversity beneficial Local Plans	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure		Medium Term		Can be delivered using existing resources
B3	Develop and adopt a Biodiversity Net Gain Technical Note- due February 2021	Developers have specific guidance to meet the biodiversity net gain requirement on all sites	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term			Can be delivered using existing resources
B4	Council Officer training in biodiversity to be completed - Sussex Wildlife Trust could provide this	Decision makers are better informed about biodiversity and	Director of Planning and Regeneration & Cabinet Member for Performance & People	Short Term			Can be delivered using existing resources
B5	Provide direct assistance when required to tree planting projects at suitable sites if required by others	Carbon capture and improved biodiversity	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term	Long Term	Can be delivered using existing resources

B6	To work with the Sussex Wildlife Trust to deliver their 'Vision for Sussex'	Sussex is a place where people and nature thrive	Sussex Wildlife Trust leading	Short Term	Medium Term		
B7	Investigate possible partnership with the Sussex Wildlife Trust to deliver a district wide approach to the wildlife crisis	To work with landowners, partnerships and community groups to build a resilient ecological network throughout the district	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			
B8	Develop pipeline of projects for biodiversity net gain and 'offsetting'	Increase in biodiversity and projects enabled	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term		Can be delivered using existing resources
B9	Review land holdings for possible biodiversity and nature based climate solutions and carry out feasibility work	Internal and Partnership projects enabled	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term		Can be delivered using existing resources
B10	Complete University of Brighton student GIS mapping project for areas of land suitable for large scale tree planting - Due July 2021	GIS tools are easily available for all officers to use to aid decision making	Director of Planning and Regeneration & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
B11	Support Changing Chalk bid and project if successful	Community ranger for countryside/nature/downland education and involvement	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources
B12	Continue work with community groups, education and communication	Community groups encouraged and work progressed	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term	Long Term	Can be delivered using existing resources
B13	Continue to provide project support for partnership projects, including expertise, volunteer management and fund raising support	Partners projects are enabled and supported to achieve multiple outcomes dependent on project	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term	Long Term	Can be delivered using existing resources
B14	Support Greater Brighton to re- establish a 10 mile Kelp forest off the coast of Sussex	A new kelp forest could capture 70,000 tonnes carbon per year and help prevent coastal erosion	Director of Regeneration & Planning & Cabinet Member for Sustainability	Short Term	Medium Term	Long Term	Can be delivered using existing resources
B15	Support Greater Brighton and the University of Sussex in rewilding and rain garden research	Knowledge is developed and shared to enable more and better designed projects	Director of Regeneration & Planning & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
Actions to make the Council net zero carbon by 2030 and address the ecological emergency on its own land							

B16	Develop a programme of works on LDC land to increase joining up of biodiversity corridors & ecological networks	Increase in biodiversity Improved well being of residents	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term		Resources to be determined
B17	Determine & provide suitable land to enable tree planting and re-wilding	Carbon capture through trees, increased biodiversity, improved mental wellbeing, increased summer shading	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term	Medium Term		
B18	Improve and reduce mowing practices on District Council land	Improved habitat for insects	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources
B19	Reduce the use of pesticides on District Council land and lobby East Sussex County Council to do the same	Improved habitat for insects	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources
B20	Increase wildflower and pollinator planting where suitable	Improved habitat for insects	Director of Service Delivery & Cabinet Members for Sustainability and for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources

4. Agriculture & Food

Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME			RESOURCES
Actions by the council to enable the District to become net zero carbon by 2030 and to address the ecological emergency							
A1	Support local food growing initiatives by making suitable land available and incorporating it into our work with social housing tenants as part of DOHS	More residents can access local food and grow their own	Director of Regeneration & Planning & Cabinet Member for Housing	Short Term	Medium Term		Can be delivered using existing resources
A2	Work with SCDA and partners to develop a food partnership- led by SCDA and funded by ESCC	By end of 2021 SCDA intend to have-governance structure for district food partnership- draft strategy or action plan-food systems map	Director of Regeneration & Planning & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
A3	Work with the food partnership to enable more local food distribution	Residents can access locally produced food more easily	Director of Regeneration & Planning & Cabinet Member for Sustainability		Medium Term		Can be delivered using existing resources
A4	Work with the Climate Action Forum and others to share best practice on local food distribution	Best practice (such as Lewes Friday Food Market) and knowledge is shared to help new market establish	Director of Regeneration & Planning & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
A5	Support initiatives that promote or enable low carbon and nature-friendly farming locally eg South East Downs Farm Cluster	This wider working will facilitate local (Sussex) food production	Director of Regeneration & Planning & Cabinet Member for Sustainability	Short Term	Medium Term	Long Term	Resources to be determined

5. Reducing Emissions from Waste

Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME			RESOURCES
Actions by the council to enable the District to become net zero carbon by 2030							
W1	Review waste & recycling service provision to align them with the requirements of increasing recycling and decreasing residual waste.	We recycle more than we incinerate, and our collection methods and schedules enable that and champion it.	Director of Service Delivery & Cabinet Member for Recycling, Waste & Open Spaces	Short Term	Medium Term		Can be delivered using existing resources
W2	Continue with planned communications with regular emphasis on food waste reduction eg. 'How to use Christmas leftovers' and incorporate these comms into the overarching sustainability comms plan	Consistent messaging and comms planned on sustainability issues	Director of Service Delivery & Cabinet Member for Recycling, Waste & Open Spaces	Short Term			
W3	Help develop local reuse and repair schemes which divert waste, for example Freegle, Freecycle, repair cafes etc.	Encourages a local circular economy and these schemes provide the most help and benefit to people in greater need.	Director of Service Delivery & Cabinet Member for Recycling, Waste & Open Spaces	Short Term	Medium Term	Long Term	Can be delivered using existing resources
Actions to make the Council net zero carbon by 2030							
W4	Undertake fleet review - produce pathway to zero carbon RCV (refuse collection vehicle) fleet	Plan in place to deliver zero carbon waste and recycling fleet	Director of Service Delivery & Cabinet Member for Recycling, Waste & Open Spaces	Short Term			Can be delivered using existing resources
W5	Deliver on zero carbon RCV fleet	Zero carbon fleet achieved	Director of Service Delivery & Cabinet Member for Recycling, Waste & Open Spaces		Medium Term	Long Term	Financial implications to be assessed separately at the time
W6	Eliminate use of Single Use Plastic (SUP) at LDC operated events and third party events supported by LDC wherever possible	Reduced plastic waste.	Director of Service Delivery & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources
W7	Eliminate use of unsustainable paper for printed marketing materials and within democratic services	Reduced emissions from consumption of paper products	Director of Regeneration & Planning & Cabinet Member for Sustainability	Short Term			Can be delivered using existing resources

6. Water							
Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME			RESOURCES
Actions by the council to enable the District to become net zero carbon and climate resilient by 2030							
WA1	Complete the new Local Plan and ensure that planning policies and guidance reflect our strategic goals for water	New development is low carbon, energy efficient and is resilient to future climate change	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure		Medium Term		Can be delivered using existing resources
WA2	Expand upon the successful Sussex Flow Initiative and introduce other natural flood management projects	Flood risk is reduced using natural methods which also supports the environment	Director of Service Delivery & Cabinet Member for Sustainability	Short Term	Medium Term		Resources to be determined
WA3	Work in partnership with the Environment Agency to explore the options viable to manage the risks posed by the undefended cliffs at The Esplanade, Telscombe Cliffs.	The Environment Agency's larger technical capability and resources can be utilised to seek an appropriate solution to managing the risks posed by an eroding coast at this location.	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term	Medium Term	Long Term	Partnership working delivered using existing resources
WA4	Deliver a coastal management climate change workshop for experts early 2021 and subsequently determine next steps.	Will complete this important engagement that was not completed during the initial strategy engagement period and will start a process of re-engagement with members on this issue.	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term			Can be delivered using existing resources
WA5	Support the Greater Brighton partnership with Southern Water to install water recycling on a housing estate (Pledge #2) and evaluate the learning from the pilot	Research and knowledge is gained and can be transferred for use on new developments within our district	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term	Medium Term		Can be delivered using existing resources
WA6	Ensure planning policy reflects the need to avoid substantial development on flood plain	Essential flood plain is retained and flood risk is minimised	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure	Short Term	Medium Term	Long Term	Can be delivered using existing resources
WA7	Develop guidance to meet water consumption for new builds of no more than 80?? litres per day (part of GB pledge #10)	Preservation of water resources	Director of Planning and Regeneration & Cabinet Member for Planning & Infrastructure		Medium Term		Can be delivered using existing resources
Actions to make the Council net zero carbon by 2030							
WA8	Once Asset Management Strategy is complete- As per action E22- Develop a water consumption reduction plan for all remaining non-housing assets	Plan allows for structured and planned delivery to meet carbon neutrality goal	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term			Can be delivered using existing resources

7. Circular Economy and Community Wealth

Action reference	ACTION	OUTCOME	ACTION OWNERS (note: the Cabinet Member for Sustainability has oversight of all actions)	TIMEFRAME			RESOURCES
Actions by the council to enable the District to enable a green recovery and become net zero carbon by 2030							
C1	Implement the 'Re-imagining Lewes District Action Plan' As per the cabinet paper December 2020	The council will have delivered on the following work streams: 1. Lewes District Council as a community wealth building council 2. Progressive procurement of goods and services 3. Fair employment and just labour markets 4. Socially productive use of land and assets 5. Making financial power work for local places 6. Plural ownership of the economy	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term	Medium Term		Can be delivered using existing resources
C2	Produce a council sustainable procurement strategy with a focus on local and sustainable purchasing	Reduced emissions from procurement. Increased local spend and resulting improved community wealth	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term			Can be delivered using existing resources
C3	Complete the Net Zero Innovation Fund project on alternative finance models- DUE July 2021	Understanding of which projects are suitable for community funding and investment models, seed funding and project pipeline	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term			Can be delivered using existing resources
C4	Determine if the council can set up a community investment programme potentially using municipal bonds (utilising output of Net Zero Innovation Fund)	Incorporate this decision into September 2021 strategy update report	Director of Planning and Regeneration & Cabinet Member for Finance & Assets	Short Term			Can be delivered using existing resources

Sustainability Indicators

To be reported annually

Key corporate Indicators		Outturn	Method
Dist.	Annual District Carbon Emissions	458000 tonnes CO2e	Produced by Anthesis Consultants-method to be evaluated for replicability in 2021
Corp.	Annual Corporate Carbon Emissions	1590 tonnes CO2e	GHG Protocol and method described in the baseline report for scope 1 and scope 2 emissions
Energy & the built environment Indicators		Outturn	Method
SI.E1	Carbon dioxide emissions from domestic dwellings	2017 data: 149.8 ktCO ₂ 2018 data: 148.8 ktCO ₂	BEIS UK, Local and regional CO2 emissions dataset (data is annually updated 2 years in arrears)
SI.E2	Average SAP rating of Lewes District Council Housing Stock	2020 data: 71 (Band C)	From Housing Asset database
SI.E3	Percentage of fuel poor households in the borough	2018 = 8%	East Sussex in Figures
SI.E4	Solar PV generation: number of sites and total generation capacity	2019: 2,397 installations Capacity: 41.2 MW	BEIS renewable energy statistics-Renewable energy by Local Authority dataset
SI.E5	Number of staff to have undertaken carbon reduction training	Zero- training to be planned during 2021/22	HR records
SI.E6	Carbon dioxide emissions from domestic properties using 'other' forms of fuel (not gas or electricity)	2017: 17 ktCO ₂ 2018: 17.1 ktCO ₂	BEIS UK, Local and regional CO2 emissions dataset (data is annually updated 2 years in arrears)
SI.E7	Pilot project is completed for Southern Water to deliver combined water and energy efficiency visits within Lewes district by end of 2021 (Greater Brighton pledge #6)	Number of visits: TBA Estimated savings achieved: TBA	Provided by Southern Water records end of 2021
Sustainable travel and air quality Indicators		Outturn	
SI.T1	Carbon dioxide emissions from transport	2017 data: 182.7 ktCO ₂ 2018 data: 178.9 ktCO ₂	BEIS UK, Local and regional CO2 emissions dataset (data is annually updated 2 years in arrears)
SI.T2	Number of electric vehicle chargepoints in the district (total number) and the number in our carparks	District (public): 9 LDC Car parks: 2	ZapMap and internal records
SI.T3	Average minimum travel time to reach the nearest 8 key services by public transport or walking (medium sized centres of employment (500-4999 jobs), primary schools, secondary schools, further education, GPs, hospitals, food stores and town centres)	2017= 18.1 minutes	DfT Journey time statistics: Table JTS0104 2017

SI.T4	% of users within 15 minutes of public transport and cycling/walking journey time of services	2017 = 39%	DfT Journey time statistics: Table JTS0408 2017 (dataset: Town106)
SI.T5	Annual mean Nitrogen Dioxide levels in AQMA's	2019 Lewes NOx: 19µg/m ³ PM10: 18 µg/m ³ Newhaven: TBA	Source: LA Monitoring report
Biodiversity Indicators		Outturn	Method
SI.B1	Number of trees/hedges planted	Nov 2019 to Nov 2020 = 539	Figure collected from council 'Tree planting register'
SI.B2	% of major developments achieving a minimum 10% biodiversity net gain	TBC	TBC 2020/21
SI.B3	% of SSSI's (Sites of Special Scientific Interest) in a favourable or unfavourable and declining condition	2020: Favourable: 53.9% Unfavourable and declining: 1.1%	Local Wildlife Sites Initiative Sussex/LA Monitoring Report
SI.B4	Value of annual investment in natural capital projects	£ = None Carbon sequestration potential = 0 tonnes	TBC- work starting 2021
Agriculture & food Indicators		Outturn	Method
SI.A1	Area of Council land that has been made available for food growing	TBC	TBC
SI.A2	Can NFU provide data on farmers converting to more sustainable practices? or engaged with?	TBC	TBC
Waste Indicators		Outturn	Method
SI.W1	Total amount of waste produced	2019/20 = 31,913.89 tonnes	Sourced from WasteDataFlow
SI.W2	% of waste recycled	2019/20 = 41.71%	Sourced from WasteDataFlow
Water Indicator		Outturn	Method
SI.WA1	Number of units approved contrary to Environment Advice regarding flooding	2018/19= 1 2019/20 = 0	Source: LA Monitoring report

SI.WA2	Percentage of dwellings meeting required water consumption standards	TBC	Source: LA Monitoring report
Circular Economy & Community Wealth		Outturn	Method
SI.C1	Progress against the 'Re-imagining Lewes District' Action Plan	No data- new plan Dec 2020	Progress reporting via the Recovery and Reset Board

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Appendix 3-

Summary of Engagement Responses – Climate Change & Sustainability Framework - November 2020

Contents:

1. Introduction
2. Expert panel summary
3. Public responses to date
4. Strategic Goal revisions

1. Introduction

This paper has been put together to demonstrate how we have used the output from the Expert Panels and the public engagement to revise and strengthen the goals set out in the Strategy Framework.

The Expert panels were conducted with members of the inaugural Sustainability Expert Panel brought together in November 2019 as well as with other invited experts in their area July to September 2020.

The public engagement period ran from the end of August to the end of October 2020 and included members from the Climate Action Forum.

Within this document key points have been summarised from the minutes of the expert panel meetings and an overview of the public response provided. The goals are presented as they were in the draft framework and the re-draft based on comments received, workshops undertaken and updates to the Anthesis carbon baseline report. The final strategy and goals intrinsically link with the baseline reports.

We held an additional Agricultural and Land-use workshop with members of the expert panel and others to inform an additional land-use study by Anthesis. This has now fed into the work stream and goals for the Agriculture and Food action area.

In terms of the expert panels we worked with 36 individuals from 33 different organisations based or working within East Sussex and the district, these included the County Council, other district and borough councils, wildlife charities and trusts, community groups and organisations, both Brighton and Sussex University, community interest companies and individual specialists and sustainability practitioners.

In addition to the panel workshops the council received back 38 completed surveys to the framework and around 70 people attended the first virtual Climate Action Forum.

In total this represents input from around 140 people and organisations.

Cross-cutting themes

In developing the strategy and reviewing the responses received it became clear that some issues ran throughout all our action areas.

These themes are not explicit within the strategy as individual action areas but should be reflected within each area in the action plan. The council will keep these in mind when reviewing and updating the strategy and action plan.

These cross-cutting themes are:

1. Education & training
 - Awareness raising and communication with residents- to enable and empower
 - Education and training of the next generation
 - Upskilling of existing trades to enable the transition to a low carbon economy
 - Ongoing upskilling of council officers
2. Funding
 - Developing community investment mechanisms to enable local sustainability and climate initiatives.
 - Support of community initiatives by the council to provide confidence to investors/donors and provide oversight on project delivery and carbon savings.
3. Evidence and targets
 - Good quality and reliable data and evidence is needed to back up our decision making and action prioritisation.
 - Data and targets will need collating and updating- we need to ensure we are not duplicating the work of others or creating unnecessary work.
4. Planning policy and building control
 - Need to strengthen planning policy where we can- this should be through early conversation with developers, guidance and through development control
5. Supporting the action of others
 - Obviously the council cannot deliver a net zero district alone but the strategy can support partnership working and the work of others across all action areas.

2. The expert panels

22nd July- Biodiversity

Key points from experts:

- Need to set target for net gain- minimum 10% but will need a baseline (so we need to determine if getting a baseline is feasible)
- Must ensure we do not lose any priority habitat (links to baselining)
- LDC should declare an ecological emergency at the time the strategy goes to cabinet (or at Council around the same time)
- Need a fund to enable local business to invest in local nature projects
- Need to broaden remit to include the sea
- 'Call out for land' suggested (possibly co-ordinated by LNP)
- Training of officers needed to ensure biodiversity is understood and thread runs throughout council work
- Make use of the targets used by others
- Make use of others information/records/monitoring

Barriers/issues

- Lack of planning policy expertise in this area
- Need to educate officers to ensure a 'green' thread through all operations

29th July- Reducing Emissions from Waste

Key points from experts:

- Needs to be more explicit regarding waste hierarchy- more focus on waste reduction (including consumption), then re-use
- Links to circular economy particularly around reducing and re-use of construction waste
- Need informed communications with residents (ie. New black bag analysis)
- Need to address packaging
- Need to increase home composting
- Could be more open with information regarding the destinations of waste
- Use national performance indicators but set out data more clearly than we currently do (ie. Separating out waste, dry recycling and garden waste)
- Need a way of reducing TetraPak waste- education/comms?

5th August- Sustainable Travel and Air Quality

Key points from experts:

- Goal 2- could be more specific (currently could include more/better roads)
- Goal 3- difficult to encourage when infrastructure is deemed unsafe
- Reconsider goal 4- possibly too vague & mixed up regarding responsibility to deliver- link to Gear Change- place this goal before 3
- Goal 5- rephrase to 'low carbon vehicles' (alternative could mean higher C)

Actions/targets

- Education and how we communicate messages
- Lacking data- more monitoring needed, more data on vehicle movements and how we use our vehicles
- Aim for a proportion of the population to be able to access (a basket of services) within a certain time by active travel (ONS have data on this)
- Possible that carbon is the only quantitative target- could have some qualitative but would need baseline
- Need to improve efficiency ie. Energy used per mile travelled
- Could use an EVCP target for our estate
- Target of 50% urban active travel by 2030? (Gear Change target -Roddy @ Sustrans)
- Need to include cycle and scooters under 'vehicles'

Issues/barriers

- District lacks non-ICE vehicle rural-town connectivity
- Lack of resources to deliver
- ESCC struggle to get buy-in from stakeholders for changes
- Need to increase lobbying

12th August – Energy and the Built Environment

- **Goal 1** – overly complicated

- **Goal 3-** need to clarify meaning of 'nature based solutions'. All agreed we should try and include the desire for (and to encourage) 'low cost low energy development'(including cooling)
- **Need to ensure-** clear/plain language, no jargon, no need to be all encompassing, more specific

Actions/targets

- Generally agreed we need a design guide to assist planning
- Enable through bonds and incentives (such as using council tax collections)
- Encourage developments to be prosumers
- Need to ensure education goes along with technological change
- Use social housing work to influence private sector
- Fuel poverty metric?
- Early engagement with developers
- Could use the CROHM tool to measure progress through EPC's
- Need to capture what is built- not what is planned
- Need to agree how/if we target high energy users
-

Issues/barriers

- In general- skills and knowledge- grass roots level -schools and FE – education of existing trades people
- LDC role in encouraging retrofit through planning and education of residents
- Not quite enough funding to encourage take up of existing schemes- possible loan scheme?
- Need to be clear with our priorities, realistic,

26th August – Circular Economy and Community Wealth

General Points from Expert Panel:

- LDC as landowner and investor should be a leader- our own procurement policies (especially our developments)
- Economic aspects do not appear linked to wellbeing economy?
- Need to encourage buy local and support local community re-use- (this is possibly the biggest impact after our own procurement)

Actions and targets

- Need a better understanding of manufacturing within the district- suggested it would be good to audit material used in the district for example?
- Need to encourage buy local and support local community re-use- (this is possibly the biggest impact after our own procurement)
- Expand Lewes Town good practice- eg. Farmers market
- Need to refine how this interacts with tourism

Issues/barriers

- We don't know what skills we have in the district
- Ensuring decarbonisation is borne fairly and that all will benefit
- Working with ESCC
- Don't yet have a way to measure community wealth in LDC
- How we deal with tourism and encourage the 'right kind' of visiting
- Inclusivity

- Need to get early buy in to changes
- Not included the marine economy

8th September – Agriculture and food

General points

- Need for a more local diet
- More education needed about food miles, nutrition and seasonality- fundamentally important- could be made more prominent in the goals
- Need more community food growing space
- Need to be more explicit about regenerative farming methods rather than goal 4.
- Can't reduce agri land if we want to grow food for local community
- Need to get involved with the farming community of we are to make a difference
- Goal 3 – strategy should focus on this- healthy and affordable food
- Goal 4- is confusing
- Goals likely to become outdated quickly- need to rethink these in general
- Need to ensure language reflects enabling role- not that LDC will action all these things
- LDC should proactively support a food partnership (but not lead)
- Need to increase community food growing/allotments
- Plant fruit trees
- LDC to attend cluster farm meeting (possibly with final Anthesis reports?)
- LDC could fill a niche by working more with small landowners (sub 30 hectares)
- Need to include marine food production

2nd September – Offsetting

- All agreed primary concern is too reduce emissions first
- All agreed LDC should facilitate a fund (to be determined) as soon as possible
- LDC could not claim offsets by spending on its own estate without being open to criticism.
- Any offsetting should be done within boundary
- Any 'fund' would not need to fund the entire project
- No need to be concerned about what we 'offset' we just need to start delivering projects to reduce carbon as much as possible now.
- Projects should focus on the biggest impact for the funds available- use funds to accelerate project delivery

Issues/barriers-

- How to price carbon? Do we need to focus on carbon?
- Would providing offsetting projects to businesses encourage them to remain polluting or do we set criteria?
- Inability to offset entire footprint within boundary?
- Difference between a bond and a fund which is for offsetting or investing in local projects which may or may not have a financial return

22nd September – Water

General Points:

- Support and then exceed Southern Water's Target 100- to reduce domestic water consumption

- Need to reduce consumption of new builds
- Work with providers to produce new communications with residents to improve efficiency – increase collaboration
- Need to include water quality
- Need to refer to aquifer
- Lack of experts for coastal erosion topic- arrange a future workshop on this
- Need to link energy use and water consumption
- Links to Agriculture and food section (particularly with regards to water quality)
- Strategy largely aligns to work the Environment Agency is undertaking.
- Natural flood management is key
- Engagement needed with East Sussex Highways
- Goals reflect key aspects of the topic

3. Public Responses summary

Responses that were positive were largely in favour with the suggestions of goals and targets provided within the framework.

The responses confirmed that the council is heading in the right direction with regards to its works streams and goals but that there were concerns about the ability of the council to deliver.

There was general consensus across all areas that the council should only have targets if they are realistic and attainable.

Questions were more likely to be left unanswered than to be answered in the negative.

It was clear that there were fewer responses to more 'difficult' areas, or those less understood, such as the circular economy and community wealth action area.

Respondents had good suggestions for work and actions, many of which are already underway or planned, although some were outside of the district council's direct responsibility. The comments were though valid (such as those about water companies doing more to find leaks) and had also arisen during discussion with the expert panels.

At least 2 questionnaires were completed by people who also attended the expert panels.

Questions

The Vision for Lewes District Question

78% responses positive, cited as being clear, ambitious, timely – there was some concern about achieving it, concern about 'net zero' being a 'fudge', suggestion to aim higher (for carbon negative).

Recurring themes in the comments included transport, acting as enabler, communications with residents, carbon neutral housing, more tree cover, enabling others to act.

Negative comments and concerns were mainly concerned with lack of follow through and lack of funds.

Our Approach to Offsetting

58% thought we should offset remaining emissions from the council baseline with 63% of all responses saying this should be local

The main issues raised were – potential cost to taxpayer and the use of taxpayer funds, project scrutiny, local projects, only as last resort.

5 thought it could be completed nationally or globally mainly because the problem is a global one

Regarding offsetting scope 3, the majority made no comment whilst 30% said no- we should not offset scope 3- comments included we should focus on reduction, we could do as 'every little helps' or we could do partially.

Action Areas:

Energy and the Built Environment

47% responses agreeing with goals as: excellent; logical; sensible; fine etc.

Comments include- more work with commercial building owners, planning is key, massive task but got to be done

Most agreed with examples of targets given and 5 added that the council must lead by example in setting and enforcing policy. Actions suggested- stop building on greenfield, more affordable homes, flats to have outside space, higher standard needed for housing.

When asked explicitly about house building policy the highest proportion of respondents (64%) were in favour of infilling existing settlements. There was a slight majority for those with concerns over the expansion of existing settlements. Respondents were split regarding a 'garden village' with 33% a clear no and 30% yes but only with substantial environmental caveats.

Sustainable Travel and Air Quality

47% were positive about the goals. Several mentioned: general infrastructure improvements needed to make roads safer and more public transport; issue of risk of over reliance on 'increasing cycling' to detriment of vulnerable/elderly/those with kids and suggested focussing on public (inc. rural) transport and safe walking routes. 1 thought the goals were too vague and not clear enough when it comes to increasing cycling.

Suggestions included: safer/more cycle lanes, stop building in countryside, on-street EV charging

There was a clear yes for targets: needed to prevent inaction- if they were realistic and modelled before being set. Suggestions included: the example was accepted as good potential target; a certain number of miles covered by safe and usable cycle lanes; a certain number of towns/villages connected by reliable, regular, and frequent public transport and/or cycle lanes; regularly measuring air quality in key areas, making this information easily publically available, and committing to improving air quality by set amounts yearly

Biodiversity

44% were positive about suggested goals. 8% were negative, with the general feeling they were not aspirational enough.

Comments included:

The need for qualified staff within the council was raised, along with a need for baseline data; Need for more guidance to residents on biodiversity at home, linking with food waste/composting/wormery's; Right tree right place; Tree planting not always appropriate; need to include carbon capture; lack of ongoing maintenance.

Agriculture and food

The majority of respondents made no comment. A higher proportion of those that did respond were negative regarding the goals (compared to other action areas) and made comments that the district council should leave this aspect to the experts. This opinion was reflected in the Anthesis Agriculture and Land-use workshop.

Where positive comment was made it was around: increasing allotment space; acting as bridge between community and food producers; encouraging small holdings/ community veg gardens; and enabling pop up shops in vacant unit for local producers.

Reducing emissions from waste

25% of comments were positive about the goals. 52% made no comment and only 1 was clearly negative in that the goals were not stretching enough.

Comments included: more work with producers of waste such as supermarkets; more information needed on destinations of waste; make it easier to recycle; recycle more types; information for residents; need to focus on reduction.

Water

56% of respondents made no comment on this section. 25% were positive and only 1 was negative in that the goals were too focussed on flooding.

Comments made included: more work to promote water butts; work more with experts; water companies to do more around leak detection and fixing; need to promote protection of waterways, and conduct forward looking planned not reactionary work; use natural flood protection methods; promote permeable paving.

Circular economy & community wealth

58% made no comment. 31% were positive about the goals though it was felt targets may be difficult to develop. None were negative.

Comments included: general comments around increasing and encouraging the shop local ethos; training and skills development were considered important.

It was apparent that the terms used within this section may need more explaining for the general public.

4. Strategic Goal Revisions

Biodiversity Goals:

Framework	Revised
<ol style="list-style-type: none">1. We have implemented the Biodiversity Strategy2. All developments maximise the opportunities for well considered net gains in biodiversity working at a landscape scale.3. We have increased biodiversity on Council owned and managed landholdings.4. We have engaged and enabled community led nature-based projects and we are involved in partnerships that promote natural capital across	<ol style="list-style-type: none">1. All developments maximise the opportunities for well considered net gains in biodiversity2. We have increased biodiversity on Council owned and managed landholdings.3. We have engaged and enabled community led nature-based projects and we are involved in partnerships that promote natural capital across the district, including the coast and sea.

<p>the district, including the coast and sea.</p> <p>5. We have the greenest Local Plan we can and have actively engaged with developers.</p> <p>6. Nature-rich and priority habitat has increased overall throughout the district. <i>To become an indicator</i></p>	
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Reducing emissions from waste:

Framework	Revised
<ol style="list-style-type: none"> 1. To have reduced emissions from waste collection and associated emissions from dealing with waste 2. To have reduced the amount of waste generated by the district's residents, businesses and visitors 3. We will have increased the proportion of the waste collected by the council that is recycled and reduced the emissions from this activity where we can influence and control this 	<ol style="list-style-type: none"> 1. We will have reduced emissions from waste collection. 2. We have minimised the waste generated by residents, businesses and visitors (infographic- enabled re-use & home recycling) 3. We will have increased the proportion of the waste collected by the council that is recycled and reduced the emissions from this activity where we can influence and control this

Sustainable travel and air quality:

Framework	Revised
<p>We will have improved air quality and reduced carbon emissions by;</p> <ol style="list-style-type: none"> 1. reducing reliance on car and need for personal car ownership; 2. improving the rural transport network; 3. encouraging more cycling and walking; 4. improving infrastructure and reducing barriers to mobility; 5. enabling the uptake of alternatively fuelled vehicles 	<p>We will have improved air quality and reduced carbon emissions by;</p> <ol style="list-style-type: none"> 1. reducing reliance on car and need for personal car ownership; (planning actions/car clubs/cycle parking etc sit under this) 2. Encouraging a more sustainable and low carbon district wide transport network 3. We have worked with ESCC to promote and develop sustainable travel across the district <p>Indicator/target- The number of short journeys walked and cycled has increased substantially (or phrase to decrease car miles?)</p>

Energy & the built environment:

Framework	Revised
<ol style="list-style-type: none"> 5. We will have built and encouraged affordable, energy efficient, climate resilient and adaptable locally sourced and provided housing that provides multifunctional green infrastructure 2. We will have shifted the district to low and zero carbon heat and electricity 3. We will have the greenest Local Plan we can and actively engage with developers 	<ol style="list-style-type: none"> 1. We will have built and encouraged affordable, energy efficient and climate resilient homes. 2. We will have shifted the district to low and zero carbon heat and electricity 3. We will engage early on with developers to ensure they produce low cost, low energy buildings.

to produce low carbon developments using nature based solutions, in line with our vision for the district	
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Circular Economy & Community Wealth - The Goals:

Framework	Revised
<p>1. The Council will be using its financial resources as locally as possible</p> <p>2. The Council has a sustainable procurement policy that facilitates local supply chains and encourages a circular economy</p> <p>3. Investment has been made into the local urban and rural economies increasing local employment opportunities and reducing income inequality.</p> <p>4. We will have an expanding clean tech and creative sector</p> <p>5. We have developed our local economies, including the Newhaven Enterprise Zone in partnership with the South East Local Economic Partnership</p> <p>6. LEAP continues to support business start-ups (pictured below)</p> <p>7. The district, including rural communities, has access to high quality broadband and network services.</p> <p>8. Local skills, supply chains and employment opportunities are improved as a result of our partnerships with East Sussex College Group, public sector organisations, social enterprises, cooperative businesses, as well as other forms of business, particularly focussing on clean and green tech</p>	<p>1. The Council has a sustainable procurement policy that facilitates local supply chains and encourages a circular economy</p> <p>2. The council has enabled local re-use networks</p> <p>3. Investment has been made into the local urban, coastal and rural economies increasing local employment opportunities and reducing income inequality</p> <p>4. Local skills, supply chains and employment opportunities are improved as a result of our partnerships with East Sussex College Group, public sector organisations, social enterprises, cooperative businesses, as well as other forms of business, particularly focussing on clean and green technologies.</p>

Agriculture & Food Goals:

Framework	Revised
<p>Strategic Goals:</p> <p>1. We have fully engaged and supported The Agriculture Bill and attached schemes such as ELMS as and where possible. We have helped protect the environment and produced food, whilst taking care of the health of soil, water and pollinators.</p> <p>2. We have influenced conditions for the reduction in emissions from agriculture and food production.</p> <p>3. We have enabled the increase in local community food production and resilience and its local distribution to provide seasonal, healthy and affordable food.</p> <p>4. We have influenced the conditions for the production of low chemical ecologically sound agriculture in the district</p>	<p>We will work with in partnership with others to:</p> <p>1. Educate and enable residents to access affordable, local and seasonal food through supporting opportunities for local production and distribution</p> <p>2. Implement a district and Sussex wide food strategy</p> <p>3. Enable and support local food growing using regenerative farming methods</p>

<p>5. Articulated a sustainable food strategy for Lewes District and is shaping the East Sussex and Greater Brighton strategic approach</p>	
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Water:

<p>Water consumption in the district has reduced and our water resources are conserved and protected.</p> <p>2. We will have well managed and protected waterways and coastal areas that provide benefit to residents and the natural environment</p> <p>3. We will have adapted communities to be resilient against flooding and coastal erosion due to increased sea level and severe weather events as a result of climate change, using nature based solutions where possible.</p>	<p>Working with others to achieve the goals We will work in partnership with others to achieve:</p> <ol style="list-style-type: none"> 1. Reduced water consumption in the district; conserved and protected our water resources, including our aquifer; 2. Well managed and protected waterways and coastal areas that benefit residents and the natural environment 3. Communities that are resilient against flooding and coastal erosion
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Report to:	Cabinet
Date:	4 February 2021
Title:	Eastbourne & Lewes Community Safety Partnership – Annual Report (Lewes)
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning
Cabinet member:	Councillor Johnny Denis, Cabinet member for communities and customers
Ward(s):	All
Purpose of report:	To enable Cabinet to consider the 2020/21 performance of the Eastbourne & Lewes Community Safety Partnership (E&LCSP).
Decision type:	Non-key decision
Officer recommendation(s):	To note the achievements and activities of the Eastbourne & Lewes Community Safety Partnership in 2020/21.
Reasons for recommendations:	For Cabinet 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 clinical commissioning groups; & East Sussex County Council. Membership can be extended to other key local and voluntary partners as appropriate. Lewes District & Eastbourne Borough Councils play a key role in supporting the work of the CSP by acting as the secretariat, co-ordinating agreed strategic plans and reporting performance. The respective portfolio holders from each council co-chair partnership meetings.

- 1.3. Lewes & Eastbourne CSPs had 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 helped align the work of the CSP with Sussex Police's district boundaries and provided efficiency savings that allow more of the Commissioner's budget to be allocated to front line priorities. Cabinet 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 and anti-social driving 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 (LJAG) meets regularly to identify local issues and risks. LJAG escalates significant issues to the strategy group as appropriate. The CSP works with the county level safety partnership (the East Sussex Safer Communities Partnership) to address broader issues such as organised crime, county-lines and offender management.
- 1.5. The Partnership has continued to meet during the pandemic, postponing only one meeting earlier in the year. Some priorities have been adapted to tackle the pandemic's impact on crime trends, such as the increases experienced in anti-social behaviour and domestic abuse.

2. Our plans

- 2.1. CSPs have a statutory duty to set out a Partnership plan and monitor progress. The latest plan, approved by the Partnership in June 2020, took into account key local issues of concern, 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 identified priorities are to:
 - Priority 1 - Address the incidence of anti-social behaviour.
 - Priority 2 - Tackle the incidence of hate crime, domestic & sexual abuse.
 - Priority 3 - Reduce the incidence of serious violence & knife crime.
 - Priority 4 - Reduce the incidence of anti-social driving on our roads.
- 2.2. CSPs are awarded an annual grant by the PCC, based on a formula that takes account of population density and an analysis of local crime trends. A review of funding carried out by the PCC in 2018/19 resulted in an increased allocation of £34,829 being awarded to the CSP in 2019/20. The level of funding received this year remained unchanged.

3. Outcomes and performance management

- 3.1. A total of 5,953¹ crimes and ASB incidents were recorded by Sussex Police in the year to March 2020, a rise of 8 percent on the previous year (5,514 crimes). This change resumed a steadily increasing trend, the number of reported crimes having levelled off a year earlier.

¹ Source: Performance Improvement Branch, Sussex Police.

- 3.2. Acquisitive crimes, including burglary (up 21%) and vehicle crime (up 19%) both rose significantly, whilst there were more moderate increases for alcohol related crime (up 7%) and public place violent crime (also up 7%). Reports of domestic abuse rose by 8% across the year, whilst reports of anti-social behaviour fell by 10%, though they remained the most commonly reported type of incident (1,811 reports).
- 3.3. Despite this increase, Lewes continues to be a relatively low crime area. In 2019/20 the District had a recorded crime rate of 57 crimes per 1000 people, one of the lowest, when compared to the Government's 'Most Similar [benchmark] Group'² of community safety partnerships. The average for the group was 75 crimes per 1000 people.
- 3.4. The most recently available figures provide data for the twelve months to the end of November 2020, so reflect the impact of lockdown and the pandemic. Recorded cases of theft, vehicle crime, alcohol related crime and burglary have fallen the most, reflecting business closures and the reduced opportunity to commit such offences. The figures show a moderate reduction in domestic abuse, though the rolling average had peaked earlier in the year, reflecting nationally reported increases during lockdown. Lockdown appears to have had the most impact on anti-social behaviour, with incidents up by 42% on those reported a year ago (2,562 reports).
- 3.5. 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.
- 3.6. Road safety remains a key issue of concern across the District. In the nine months of the year to September 2020 a total of 44³ people were killed or seriously injured on the District's roads. Whilst this is a reduction of 28%, compared to the same period last year, in all likelihood this reflects reduced journeys and traffic volumes resulting from lockdown. Figures between 2019 and 2018 (calendar years) remained unchanged.
- 3.7. These trends have set the tone for the work of the partnership across the last year, which has supported a range of initiatives that have helped; address anti-social behaviour; support organisations tackling domestic abuse; tackle increasing levels of serious and violent crime; and address safety on local roads. Key highlights and achievements across these priorities are set out below.

² 'Most Similar Groups' are districts / boroughs that have been found to be the most comparable to one another based on an analysis of the demographic, social and economic characteristics which most relate to crime. They are driven by census data and published by the Office for National Statistics.

³ Source: Data Portal, Sussex Road Safety Partnership

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

- Administering the Joint Action Group (JAG), which plays an active role in addressing matters of local concern. Attended by representatives of key local agencies, the group meet monthly to discuss police reports of crime and disorder, identify local hotspots of ASB and agree solutions. This work is supported by a budget of £5,000.
- Working with Sussex Police to support *Operation Blitz*, the local initiative targeted at tackling anti-social behaviour across the District. The operations target patrols at key locations and draw in additional resources at busy times, such as the school holidays. Sussex Police work closely with officers from Neighbourhood & Homes First to share information and co-ordinate follow up actions, partnerships that have proved key in helping tackle the changing ASB trends witnessed during the pandemic.
- Supporting the Seahaven Multi-Agency Safer Communities Operations Team (MASCOT), a Sussex Police led forum, established in May 2020, to specifically target anti-social behaviour, crime and disorder. The Council, the local Youth Offending Team, as well as representatives from local schools and community groups, meet regularly to identify ‘hotspot’ locations, target enforcement and co-ordinate offender referrals to specialist services.
- In any typical year, the Partnership’s funding supports a wide range of youth activities across the District, many of which have not been able to operate due to Covid-19. However, we have been working to promote online activities, such as the youth fitness sessions, provided by County’s Active East Sussex team. We have invited town and parish councils to submit bids to the CSP’s remaining funds (see appendix 1) in January, which we hope can fund the resumption of youth activity schemes in the Spring.

Priority 2 - Tackle the incidence of serious ASB, hate crime, domestic & sexual abuse – through:

- Funding 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 to help address the wellbeing of around 40 victims by the end of the year.
- Contributing to a fund that pays the cost of Domestic Homicide Reviews (DHRs) in East Sussex. These reviews 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. Four cases have reported to the County level CSP this year, providing valuable insights and learning points in each case.
- Participating in the White Ribbon campaign, which highlights the positive role that men play in preventing violence against women. In November, the Council actively supported the 16 days of action, which this year focussed on tackling isolation, support for survivors and the role that friends and family can play in recognising the signs of abuse, amongst other themes.
- Re-directing funding provided to the *Rita Project*, who were able to re-cycle grant provided to deliver domestic abuse awareness sessions in local schools, to bolster their frontline support service and meet additional demands arising from the pandemic.

Priority 3 - Reduce the incidence of serious violence & knife crime – through:

- Funding *Restore Lewes*, a scheme that works with young people displaying challenging / concerning behaviours. The programme lead will hold individual sessions with those referred, using tools that can help identify and address the underlying issues that may be driving behaviours. One stream of the programme focusses on referrals from Peacehaven Community School (who provide match funding), the other on referrals made by local Youth Offending Teams. The scheme will benefit 50 young people each year and the outcomes are set to improve individual wellbeing, reduce anti-social behaviour and lower individuals' risk of escalation into serious crime and exploitation by County Lines gangs.
- Participating in the Violence Reduction Unit, a Sussex Police and County led task force set up to co-ordinate a strategic approach to address serious violence across East Sussex. This work has been focussed on analysing crime trends, understanding the profile of victims, identifying who the perpetrators of crime are and setting up local action plans.
- Supporting Sussex Police's *Operation Sceptre*, which bolsters the work undertaken all year round to help keep residents safe from knife-related harm in their local communities. The latest 'anti-knife week' took place in November, comprising of increased patrols, amnesty knife bins, education and social media campaigns.

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

- Promoting road safety and highlighting the impact that anti-social driving has on the daily lives of residents across the District. As a result, the partnership secured the backing of the new Sussex Chief Constable to promote campaigns and set out specific measures to address anti-social driving in Sussex Police's draft *Policing & Crime Plan*. This work has also successfully lobbied to help ensure that road safety issues continue to be effectively represented at East Sussex County Council meetings.
- Supporting the development of local networks of *Community Speedwatch* volunteers and funding the expenses of those delivering training to newly recruited members in Newhaven.
- Continuing a programme of joint Neighbourhood First / volunteer *Speedwatch* visits, in partnership with the Council's Neighbourhood First team.
- Inviting town and parish councils to submit bids to the CSP's remaining funds (see appendix 1) in January, which we hope can fund other initiatives targeted at addressing anti-social driving and improving road safety across the County.

- 3.8. A summary of the annual income and expenditure for Lewes District's Partnership budget is set out in appendix 1. The pandemic restricted opportunities to allocate funding in the first part of the year, but activities have recovered and almost 70% of the budget has now been spent or committed. We are confident of spending the remaining sum and are intensifying our efforts to identify funding opportunities for road safety initiatives and partners working with young people, whose activities have been disproportionately affected by

national restrictions. Budgets can be rolled over into future years and we will seek authorisation from the PCC to do so in relation to any unallocated sums.

4. Consultation

- 4.1. 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. Corporate Plan & Council Policies

- 5.1. The objectives of the E&LCSP continue to be in line with the LDC Corporate Plan objective of delivering resilient, healthy and engaged communities, through 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.

6. Business case

- 6.1. 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 five clear priorities, agreed with partners, which will help address local issues up to March 2021. The plan is revised and updated each year, with the new plan due to be signed off by the Partnership in early Spring 2021. It will be supported by an accompanying spending plan, once the Council receives confirmation from the Sussex Police & Crime Commissioner of its 2021/22 budget allocation.

7. Financial appraisal

- 7.1. 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: 29/12/2020

8. Legal implications

- 8.1. 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: 29/12/2020

Legal ref: 009820 – LDC – OD

9. Risk management implications

- 9.1. 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

10. Equality analysis

- 10.1. 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 Lewes Community Safety Plan in Spring 2021.

11. Environmental impact analysis

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

12. Appendices

- 12.1. Appendix 1 – LCSP Income & Expenditure 2020/21.

13. Background papers

- 13.1. The following background papers are associated with this report:

- Eastbourne & Lewes Community Safety Plan.

Appendix 1 – Lewes Community Safety Partnership – Income & Expenditure 2020/21

LEWES - PCC Grant	£
PCC Grant 2020/21	£34,829.00
Spending / committed	£
Safe from Harm - SCDA	£7,500.00
Domestic Homicide Reviews	£7,785.00
White Ribbon	£250.00
Community Speedwatch training	£180.00
Dedicated drone	£4,847.10
Restore Lewes	£2,801.00
Ringmer skate park	£500.00
Total	£23,863.10
Remaining	£10,965.90

Report to:	Cabinet
Date:	4 February 2021
Title:	Voluntary Sector Support Policy Review
Report of:	Ian Fitzpatrick, Deputy Chief Executive
Cabinet member:	Councillor Johnny Denis, Cabinet member for communities and customers
Ward(s):	All
Purpose of report:	For Cabinet to note responses of the consultation exercise, give consideration to the method of awarding future grants and agree any changes to the councils' voluntary sector grants policy.
Decision type:	Key
Officer recommendation(s):	<p>(1) Agree the grant allocations for 2021/22, to be allocated in line with the existing voluntary sector grants policy, as set out in para 1.4.</p> <p>(2) Note the consultation responses.</p> <p>(3) Agree to award all grants tri-annually from 2022/23 onwards and introduce a competitive bidding process to be implemented in 2021/22.</p> <p>(4) That a further report making recommendations for future funding priorities, in the form of a 'prospectus' against which organisations can bid, be considered at a future meeting of the Cabinet.</p> <p>(5) An amended grants policy be prepared in line with the recommendations above for adoption at a future meeting of the Cabinet.</p> <p>(6) That a Grants Working Group of three members be established, as set out at para 2.4.</p>
Reasons for recommendations:	The introduction of these changes to the voluntary sector grants policy will enable the council to be more transparent and flexible in how local voluntary organisations are supported and will ensure a focus on priority areas of need.

Contact Officer(s): **Name: Seanne Sweeney**
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Telephone number: 01273 085 630

1 Introduction

1.1 The council makes funding available to voluntary organisations each year, in line with its Community 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 the Lewes District. This provides a cost-effective way of delivering some aspects of the council’s objectives.

1.2 At its meeting in February 2020, Cabinet agreed that a review of the Community Grants Policy would be undertaken to explore whether the current method of awarding grants was the fairest and most effective, or whether changes should be made to the policy.

1.3 2021/22 marks the third of the council’s three-year grant cycle. At its meeting in February 2020, Cabinet agreed that any changes to the process for awarding grants would not be implemented until the current three-year cycle is completed, in March 2022. The table below sets out the level of grant paid in 2021 and the amounts recommended for 21/22 in line with current community grants policy.

1.4 Current and next financial year grant allocations

1.5

Organisation	2020/ 21 grant (£)	2021/ 22 (£)
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 (HRA)

BHT Advice – Universal Credit service	22,050	30,000 (HRA)
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1.6 This year has been exceptionally challenging for grant recipients, necessitating dramatically altered ways of working in a pandemic, whilst responding to changing and rapidly increasing need. Regular monitoring has taken place throughout the year to ensure the grant allocated has been used in line with the grant agreement. Due to the pandemic, changes have been negotiated to delivery models in some instances.

- **Citizens Advice (CA)** had to adapt quickly to move their predominantly volunteer workforce to home and online working. CA have worked hard to continue providing advice and support to residents who contact them about a range of issues including Universal Credit, Personal Independence Payments, council tax arrears plus administering the energy voucher scheme. CA have been working with SCDA, 3VA and the council to identify gaps and plan for future demand.
- **3VA** have been at the forefront of supporting new and existing groups across the district, many of which were formed in response to the virus. Along with interpreting and promoting swiftly evolving government guidance, 3VA have continued to ensure groups are aware of their obligations around safety, safeguarding and governance, and have successfully kept groups connected; sharing concerns and good practice. The initial months of the pandemic saw close working between council and 3VA officers as we all worked to support our local communities through the establishment of the Community Hub.
- **Action in Rural Sussex** have proved a vital advisory service to village halls and community buildings across the district which have faced significant challenges including loss of crucial revenue and volunteer safety. AiRS took the decision to offer non-subscribers a 6 month free subscription (current subscribers benefitted from a 6 month free extension) to ensure that those groups and buildings needing support could access it. Their online information platform, Basecamp, has enabled information, news and advice to be disseminated quickly whilst keeping trustees, management committees and officers connected and able to easily share best practice and concerns.
- **Sompriti (managed by Sussex Community Development Association)** Although Sussex Community Development Association have been pivotal in the response to the pandemic, particularly around mapping need, identifying gaps and planning for a sustainable response, the Sompriti project has faced some challenges such as staff shortages

which have meant that not all funding outcomes have not been met. LDC continue close dialogue with SCDA about the future of Sompriti, and on that basis, a further years' funding is recommended.

- **Lewes District Churches Homelink** have continued to provide housing deposits and rent in advance to homeless households and those at risk of homelessness, referred by the council's housing needs officers. Homelink have decided to recruit an additional staff member and extend their opening hours to cope with current demand, which has risen in recent months. Homelink also continue to administer the Discretionary East Sussex Support Scheme (DESSS) funding on behalf of the council.

1.7 **Brighton Housing Trust Universal Credit Project**

Funding was granted to BHT in September 2018 as a time limited project to support with the roll out of UC. A delay in implementing UC meant it was necessary to extend the project, and this year (through underspend in the Flexible Homeless Support Grant) it was extended again in response to the pandemic, with the Cabinet member's approval.

Although BHT have had almost 300 referrals over the last two years, almost half have been from non-LDC tenants, as the service eligibility was opened up to Lewes district residents in an effort to boost referrals and support the project to meet its funding targets.

It is recommended that funding for UC support continue so that advice is available and can meet the expectant rise in UC claims as a consequence of the pandemic. £30k could be made available from the Housing Revenue Account to extend the project for a further year recognising the likely increased need for this project by council tenants as a result of the Covid pandemic.

1.8 **Covid-19 response**

In addition to the planned voluntary sector grants, the council has provided over £40k of financial support to local groups and food banks across the district during 2020/21 to bolster the local response to the virus, in additions to purchasing food supplies which were distributed to food banks across the district.

1.9 **Community Grants Policy Review**

It was agreed by Cabinet in February 2020 that a review of the council's grants policy would be undertaken. In September the Cabinet Member for Communities and Customers agreed a public consultation exercise based on four future options for the allocation of community grants.

From 18 September to 11 December 2020 the council invited community and voluntary sector organisations in the district to rank four options of awarding grants to the voluntary sector. Respondents ranked the below in preference:

a) Maintain the status quo – *Fairly strongly supported*

Currently, Lewes District Council awards grants annually to four local organisations. These are: Action in Rural Sussex Citizens Advice, 3VA, Lewes District Churches Homelink and Sussex Community Development Association (for the Sompriti project). These grants are approved in three year cycles. This gives projects some security to develop their services.

This option provides some certainty and security of funding for recipient organisations. However, it does not allow for new groups or organisations to be added to the grant programme. In addition, it does not enable the council to use the grants programme to respond to changing needs in the community.

b) A combination of core grants and small grants – *Strongly supported*

Continue to award a portion of our budget as 'major grants' to support core voluntary sector services, in three year cycles, and introduce a competitive annual bidding (application) process for 'small grants', from the remainder of the budget. The criteria for awarding small grants could be set each year and respond to local need.

Introducing a competitive bidding process would enable all qualifying community groups and organisations to have a chance to bid for funding. This approach would also enable the council to change grant allocation criteria over time to respond to changing needs in the district. However, the introduction of a small grant fund would result in a potential reduction in allocations to currently funded organisations. In addition, additional staff resources to administer the scheme would need to be built in which would reduce the overall amount available for grant funding.

It should also be noted that other councils which follows a similar model, have seen their small grants programme under-subscribed with successful projects being very short lived and helping only a small number of residents in many cases. Local organisations may find it difficult to respond to the types of priorities being put forward for funding when the grant offer is for such a short period.

c) Award all grants annually – *Least supported*

This option would see all grants awarded each year through a competitive bidding process as described above.

Options b) and c) would impact on staff resources, and would mean that some funds will need to be identified from the grants budget to support the extra administrative work involved.

This would enable the council be more flexible in how it sets priorities each year, however it would provide very little security for local organisations, which have been used to receiving longer term grant support from the council. It would also be resource intensive to administer.

d) Award all grants tri-annually – *Fairly strongly supported*

This option would entail grants being awarded every three years through a competitive bidding process as described in b) above. This would provide some security to grant recipients and could be administered within existing council resources.

The grants programme would be open to different groups with priorities for funding agreed every three years in line corporate priorities and local need. It is proposed that a more of a commissioning style approach would be used, with the council clearly setting out in a 'prospectus' the types of services it would want to fund, and then inviting organisations to put forward proposals for delivering these services.

- 1.10 Responses were submitted by 18 local groups, with over 50 additional comments received, a summary of which can be found at appendix 2. It should be noted that a purely numerical analysis of the responses may be misleading, as some organisations submitted multiple, very similar responses. As indicated in the rankings above, a small majority of respondents selected option (a) as their preference with (b) and (d) following closely behind.

Many of the detailed comments provided by consultees indicated that funding should be opened up to more groups, but on a longer-term basis, suggesting that option d) was desirable.

Conversely, many comments expressed concern about the removal of funding security and rejected the proposal of an annual competitive bidding process.

2 Recommendations for policy review

- 2.1 Cabinet will be aware that consultation exercises are designed to inform Cabinet's decision on an issue, rather than determine it. When considering a change to the policy, Cabinet is asked to weigh up the views expressed within the consultation with other factors including the needs of the local community, financial constraints, staff capacity and the council's corporate priorities.
- 2.2 Based on all these factors, it is recommended that awarding all grants tri-annually through the introduction of a competitive bidding process is the chosen option for the Community Grants Policy with effect from April 2022. This option

allows the council to determine priorities which are responsive to local need, and opens the possibility of funding to other voluntary and community groups operating in the district, whilst also giving a level of stability.

If agreed, the first cycle would be awarded in April 2022. Cabinet may wish to consider focusing a funding 'prospectus' on services including advice, homelessness, and voluntary sector support for example, which would reflect some of the existing priority areas currently funded. Should option d) be agreed by Cabinet, a further report will be prepared setting out a proposed funding 'prospectus' for members' consideration.

- 2.3 The council is currently budgeting to award £258,640 in grants each year. £217,140 of this is spent on services which directly benefit council tenants. It is usual to involve tenant representatives in considerations relating to council tenants. To this end, it is proposed that tenant representatives be consulted at an early stage in the development of the funding prospectus, and that their views be shared with Cabinet when it is asked to approve the prospectus.
- 2.4 If it is decided to move to an applications based process, a Member Working Group may be helpful to consider applications, advise on the setting of priorities and otherwise advise Cabinet on grants matters. It is recommended that a working group of three Members, two from the Cabinet and one opposition Member, be constituted for this purpose, reporting to Cabinet.

3 Consultation

- 3.1 A consultation exercise was held for 12 weeks throughout the autumn. A summary of key themes and responses can be found at appendix 2.

4 Corporate plan and council policies

- 4.1 Making changes to the voluntary sector grants policy may help support the council's pledge around open and transparent decision making, as outlined in the Corporate Plan.
- 4.2 A change to policy may aid alignment with the Corporate Plan pledge to respect and promote principals of equality and support the council's equality and fairness policy.

5 Financial appraisal

- 5.1 As set out in section 1.5 of the report, the 2021/22 budget provision for grants to the voluntary sector is £258,640. Any increase to this amount would require additional funds to be identified as part of the current 2021/22 budget setting process.

6 Legal implications

- 6.1 Cabinet is legally required to have “conscientious regard to” the consultation responses in determining the future Community Grants Policy. As indicated at paragraph 2.1, this involves balancing the responses against the council’s strategic priorities and its capacity to deliver, taking into account financial and staffing resources.

Lawyer consulted 06.01.21

Legal ref: 009835-LDC-OD

7 Risk management implications

- 7.1 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.

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.

8 Equality analysis

- 8.1 An Equality & Fairness Analysis has been undertaken on these proposals, concluding that a change to the way in which grants are awarded has the potential to positively impact most protected groups, as a competitive bidding process would introduce refreshed priorities which may seek to address inequalities and improve services for residents.

Currently, working age residents, BAME communities, residents in rural locations and households experiencing socio-economic deprivation are supported through projects funded by LDC. Any reduction to current provisions would impact these groups the most, and consideration will need to be given to need and sustainability when identifying projects to support in future.

9 Environmental sustainability implications

- 9.1 Ideally the support of sustainability in one form or another should be a consideration in all grant awards. If members decide to introduce a competitive bidding process, it is recommended that projects or organisations which promote sustainability would be encouraged and this element used as selection criteria for grant allocation.

10 Appendices

- Appendix 1 – Community Grants Policy
- Appendix 2 – Consultation Response Summary

11 Background papers

None

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Lewes District Council Community Grants Policy

Introduction

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

Legal Framework

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

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

Policy

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

State Aid

1) Background:

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

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

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

2) Mitigation:

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

Data Protection

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

Policy agreed at Cabinet February 2019

State Aid Checklist

The four characteristics of State aid:

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

State Aid – De Minimis Declaration

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

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

SignedDate
(to be signed by an authorised officer)

Position in organisation.....

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

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Lewes District Voluntary Sector Support Policy Review Consultation

The council invited local voluntary and community groups to give their views on the way in which the council awards grants. The consultation ran for 12 weeks, with respondents asked to rank four options in order of preference (1 being the most preferred), to which 43 responses were submitted. Respondents also had the opportunity to comment further, with an additional 51 comments received.

The options and subsequent rankings were:

- a) **Maintain the status quo** - *Second*
- b) **A combination of core grants and small grants** - *First*
- c) **Award all grants annually** - *Fourth*
- d) **Award all grants tri-annually** – *Third*

Responses were received from:

- Kempton House Day Centre x 2
- Movingsounds
- Lewes Fundraisers For Cancer Research
- Citizens Advice x 22
- MNF - Older people football group
- C.A.T.S CLUB
- Ringmer Village Hall
- Lewes Priory Trust x 2
- SPIN (Single Parent Information Network)
- Seahaven Responders
- The Nebula - Free Mental Health Support
- PATINA
- Newhaven & Seaford Sea Cadets TS Defiance
- Telscombe Residents Association
- Go Local cic
- Friends of Lewes
- Lewes District Churches HOMELINK
- 3VA
- A council tax payer
- Refused to answer

Primary themes

- Mostly responses rejected the option of awarding grants annually, generally agreeing that this offered no stability for local organisations, preventing projects from embedding as a resource.
- Several responses want to see different organisations given the opportunity to apply for funding.
- Many comments indicate support of 'ongoing' funding but do not specify if this should be subject to a competitive bidding process.

- Although option d) award all grants tri-annually ranked third out of the four, many comments indicate that funding should be opened up to more groups on a longer term basis.
- Many comments argue for ongoing support to Citizens Advice and do not address the topic of funding over all. It may be worth noting that over 20 responses were submitted on behalf of Citizens Advice.

Some key points

- Current recipients need the stability of a core grant particularly in current circumstances.
- Constant change does not allow services to develop or become established.
- Many responses voiced support and concern for Citizens Advice, stating that access to free advice was more important than ever as people's incomes have been impacted by the pandemic.
- Competitive bidding can lead organisations to over-promise.
- Some support for a core/ small grant split, with core award being non-competitive and the small grants awarded annually and subject to application.
- Two comments questioning the funding of a religious organisation, although some support explicitly expressed for Homelink.
- Not currently awarded on the basis of need; some organisations could manage on reserves.
- Advice services are needed now more than ever.

Agenda Item 19

Report to:	Cabinet
Date:	4 February 2021
Title:	Planning Technical Advice Notes for Sustainability
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning
Cabinet member:	CLlr Emily O'Brien, Cabinet member for planning and infrastructure
Ward(s):	All wards wholly or partially outside of the South Downs National Park
Purpose of report:	To seek Cabinet approval for the publication and use of three Planning Technical Advice Notes that address sustainability issues
Decision type:	Key
Officer recommendation(s):	<ol style="list-style-type: none">(1) To agree the publication and use of the Sustainability in Development Technical Advice Note contained in Appendix 2(2) To agree the publication and use of the Circular Economy Technical Advice Note contained in Appendix 3(3) To agree the publication and use of the Biodiversity Net Gain Technical Advice Note contained in Appendix 4(4) To provide delegated authority to the Director of Regeneration and Planning, in consultation with the Portfolio Holder for Planning and Infrastructure, to make minor or technical amendments to the Technical Advice Notes prior to their publication or as otherwise required following publication
Reasons for recommendations:	<ol style="list-style-type: none">(1) To publicise the Council's expectations for the incorporation of sustainability issues, circular economy principles and biodiversity net gain in planning applications

(2) To make minor amendments to address technical or drafting issues

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1 Introduction

- 1.1 The Lewes Corporate Plan 2020-2024 identifies the Council's focus on providing leadership to the district on tackling the climate emergency, and putting sustainability at the heart of local planning processes.
- 1.2 A local plan is under preparation, and once adopted this will play a significant role in contributing towards these corporate plan aims. The Local Development Scheme (LDS), which was adopted by Full Council in July 2020, anticipates that the local plan will be adopted in 2023.
- 1.3 In order to support the priorities identified in Corporate Plan in advance of the adoption of the new local plan, a series of Technical Advice Notes (TANs) have been prepared to provide advice to developers and planning applicants on how they can contribute towards achieving sustainability in new development. The subjects that the Technical Advice Notes cover are: Sustainability in Development; Circular Economy; and Biodiversity Net Gain.
- 1.4 This report explains the purpose of Technical Advice Notes, summarises the three Technical Advice Notes that have been prepared to address sustainability issues, and seeks Cabinet approval for these to be published and used in the planning application process.

2 Technical Advice Notes

- 2.1 Technical Advice Notes (TANs) provide technical advice and information to developers and planning applicants in order to encourage the types of development that the Council would like to see.
- 2.2 The purpose of a TAN is to inform applicants of the Council's expectations at an early stage, so that they can be designed into development proposals. The TANs also set out how applicants should demonstrate how their proposals have met the Council's expectations in their application.

2.3 Sustainability in Development Technical Advice Note

- 2.3.1 The Sustainability in Development TAN seeks to draw together the different aspects that influence the sustainability of a development proposal to make it easier to consider these factors in the design of a proposal, in order to encourage developers and planning applicants to give much greater consideration to sustainability issues.
- 2.3.2 The Sustainability in Development TAN provides a checklist of sustainability requirements and objectives that applicants should consider in development proposals. Applicants are requested to complete and submit the checklist to show whether sustainability issues have been given consideration in the proposal, and to provide evidence on how this has been done.
- 2.3.3 The requirements to submit the checklist only applies to Major and Minor applications¹. The checklist for minor applications is less detailed than the checklist for major applications in order to ensure that the expectations are proportionate to scale of the development proposed and does not discourage smaller developments from coming forward.
- 2.3.4 The requirement to submit a checklist does not apply to Householder and other types of planning application (for example an extension to an existing dwelling), although these are encouraged to consider the checklist to inform important early decisions and to influence design.
- 2.3.5 The checklist is primarily designed to inform applicants about considerations that should be taken into account in design, so they can be incorporated into the proposal from the outset. The submitted checklist will also assist case officers to identify how sustainability considerations have been taken into account, and will provide an opportunity to monitor how such issues are being considered over time.

2.4 Circular Economy Technical Advice Note

- 2.4.1 It is estimated that 51% of the 1.7 million tonnes of solid waste generated in East Sussex and Brighton & Hove each year is construction, demolition and excavation waste².
- 2.4.2 The Circular Economy TAN seeks to encourage a circular economy (CE) approach to be taken in development proposals, whereby materials are recovered, reused and

¹ Major applications involve residential development of 10+ dwellings or over half a hectare or building(s) exceeds 1000m² and commercial development of 1,000m² or more floorspace or 1 or more hectares. Minor applications include residential development of between 1 and 9 dwellings and commercial development under 1, 000m² or less than 1 hectare

² East Sussex Waste and Minerals Monitoring Report 2018/19

recycled in order to minimise the amount of 'waste' that is created through development.

2.4.3 The Circular Economy TAN seeks to embed the circular economy principles, such as the responsible sourcing of materials, enabling buildings to be adaptable for future reuse, and ensuring the materials can be recovered and recycled, into the design of buildings from the outset, on the basis that if the scheme is designed in the right way, waste generated should be minimised as a result.

2.4.4 The Sustainability in Development TAN requests the provision of evidence explaining how circular economy concepts have been placed at the heart of the development proposals, in addition to the provision of a Site Waste Management Plan for major developments.

2.5 Biodiversity Net Gain Technical Advice Note

2.5.1 In January 2020, the Government introduced the Environment Bill to support their '25 Year Environment Plan to Improve the Environment', which was published in 2018.

2.5.2 The Environment Bill proposes that developers will be required to ensure habitats for wildlife are enhanced and that development delivers a minimum 10% biodiversity net gain on the pre-development biodiversity baseline.

2.5.3 Once the Bill receives royal assent, there will be a two-year transition period before biodiversity net gain in development becomes mandatory.

2.5.4 Ahead of biodiversity net gain being mandated, a Biodiversity Net Gain TAN has been prepared to encourage developers and planning applicants to incorporate biodiversity net gain into applications now and provide guidance on how this should be assessed.

2.5.5 The Biodiversity Net Gain TAN sets out an expectation that major development applications achieve a minimum 10% biodiversity net gain. Within applications for minor development, biodiversity net gain is encouraged where possible. This is in line with the current expectations in the Environment Bill.

2.5.6 The TAN encourages an on-site biodiversity net gain to be designed into the scheme at the earliest opportunity. Only where it can be demonstrated that this is not possible should off-site offsetting be considered.

3 Outcome expected and performance management

3.1 TANs are not part of the statutory development plan, and therefore cannot be used in the determination of planning applications. However, the TANs do encourage sustainability considerations to be taken into account. They have been linked to either

development plan policy or to the National Planning Policy Framework where possible, and advise how to address requirements that are already in existing policy.

- 3.2 In order to ensure that the TANs are effective and to learn lessons from their implementation, a review of the TANs will take place no later than one year after their approval. This will also allow changes in guidance and legislation, such as the possible introduction of the Future Homes Standard and the mandating of biodiversity net gain, to be taken into account and to ensure that the TANs remain fit for purpose.

4 Consultation

- 4.1 The cross-part Lewes District Council Local Plan Steering Group were consulted on the preparation of the TANs, which were then subject to targeted consultation with members of Planning Services User Group (including planning agents and developers who regularly work in the area) and other specific organisations who could provide detailed advice, including East Sussex County Council, Sussex Wildlife Trust and the Local Nature Partnership.

- 4.2 A total of eight representations were received during the targeted consultation. A summary of the representations received and how they have been addressed are summarised in Appendix 1.

- 4.3 The TANs were amended as a result of these responses, and reported back to the Local Plan Steering Group before being finalised.

5 Corporate plan and council policies

- 5.1 By seeking to influence how sustainability issues are considered in planning applications, the TANs will help to deliver the priorities of the Corporate Plan to tackle issues of climate change and put sustainability at the heart of the local planning process, in advance of the new local plan being prepared.

- 5.2 The TANs are consistent with the Lewes District Council Sustainability Policy objectives, particularly taking opportunities to improve biodiversity and green infrastructure; reducing waste and promoting the re-use of materials where possible; and enabling resilient and sustainable communities and creating places where people can and want to live into the future.

- 5.3 The need for these TANs has been noted in the Climate Change and Sustainability Strategy Action Plan.

6 Financial appraisal

- 6.1 The proposed documents are to be used as 'Technical Guidance Notes' with set

expectations; therefore there are no financial implications of this report.

7 Legal implications

7.1 The Environment Bill 2019/2020 is due to have its report stage and third reading on a date to be announced which means that amendments can still be made to the Bill. However, it is not considered premature to introduce the TAN at this stage as it is subject to a review mechanism.

7.2 The proposed Technical Advice Notes do not have the same status as an adopted planning policy and cannot therefore be used as a reason for refusal for a planning application submitted within the area for which LDC is the planning authority.

Legal Implications Provided 21.12.20. LDC-JCS-9757

8 Risk management implications

8.1 The following risk will arise if the recommendations are not implemented and the following mitigation is proposed:

Risk: if not implemented, the guidance set out in the Technical Guidance Notes would not be available to the public, meaning that planning applicants would have less understanding of the Council's expectations for how planning applications should address sustainability considerations.

Mitigation: That the recommendations of this report are approved, allowing the publication of the TANs to present the Council's expectations for how planning applications should address sustainability considerations.

9 Equality analysis

9.1 An Equality Screen has been completed in conjunction with this report. Although the proposals are unlikely to impact on protected groups, taking steps to promote sustainability may improve the health and wellbeing of communities.

10 Environmental sustainability implications

10.1 By seeking to influence how sustainability issues are considered in planning applications, the TANs will help to meet the target of zero carbon by 2030.

11 Appendices

- Appendix 1 – Summary of Consultation
- Appendix 2 – Sustainability in Development Technical Advice Note

- Appendix 3 – Circular Economy Technical Advice Note
- Appendix 4 – Biodiversity Net Gain Technical Advice Note

12 Background papers

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

- [Lewes Corporate Plan 2020-2024](#)
- [National Planning Policy Framework \(2019\)](#)
- [Lewes Local Plan Part 1: Joint Core Strategy](#)
- [Lewes Local Plan Part 2: Site allocations and development management policies](#)
- [East Sussex, South Downs and Brighton & Hove Waste and Minerals Local Plan](#)
- [East Sussex, South Downs and Brighton & Hove Waste and Minerals Monitoring Report 2018/19](#)

Appendix 1 – Summary of Consultation on Draft TANs

General Comments

Summary of Comment	Response
<p>Object to the imposition of Technical Advice Notes due to cost and delays of undertaking additional work to meet requirements, particularly on small developers and private individuals</p>	<p>Whilst there are a number of points in the checklist, these are for consideration; the document actually requires little additional work. The purpose of the TANs is to inform what considerations should be taken into account at design, so they can be incorporated from the outset.</p> <p>The TANs are not additional planning policy, and themselves are not designed for the determination of a planning application. The TANs do encourage sustainability considerations to be taken into account, but any requirements within them already exist elsewhere, and the TANs just consolidate them and advise how to address the requirements which are already within policy.</p> <p>It is recognised that numerous additional forms for completion and submission with an application could be onerous, so the request for details of waste generation in the draft CE TAN have been removed, and CE principles incorporated into the SiD TAN.</p>
<p>The need for the information being sought must be justified and proportionate to the size and scale of the application</p>	<p>The checklist items are for consideration predominantly during the design phase and are to ensure that the scheme concept as a whole is considering the sustainability issues of development.</p> <p>It is agreed that the information provided should be proportionate, and it has been clarified in the SiD TAN that we do not intend to make the process burdensome; and the submission of information should be proportionate and relevant to the development proposed.</p>
<p>Many of the points raised in the Technical Advice Notes cannot be realistically answered at planning application stage</p>	<p>The SiD TAN makes it clear that the submission of information should be proportionate to the scale of development being proposed. If the requirements of checklist are not relevant for a particular type of application (e.g. some outline application), this should be explained in the</p>

Summary of Comment	Response
	<p>submission of the checklist.</p> <p>However it is beneficial if all information is provided 'up front' where possible to reduce uncertainty and cost or delays of further applications.</p>

Comments on Sustainability in Development TAN

Summary of Comment	Response
<p>Sustainable development has been defined in many ways, but the most frequently quoted definition is from Our Common Future, also known as the Brundtland Report. I do not see how this TAN addresses this concept.</p>	<p>The SiD TAN has been amended to further emphasise the benefits of implementing the considerations in the checklist in relation to meets the needs of the present without compromising the ability of future generations to meet their own needs.</p>
<p>It needs to be made clear who is to complete the Checklist</p>	<p>The SiD TAN makes it clear that the applicant is expected to complete and submit the relevant checklist with their planning application for validation.</p>
<p>There is an overlap between this TAN and the CE TAN.</p>	<p>Parts of the CE TAN have been moved to the SiD TAN and these have been cross referenced where required.</p>
<p>The overall scope of the checklist for minor developments being little different from the majors checklist, and these are onerous requirements which will certainly impact on the delivery of smaller schemes.</p>	<p>The requirements of the Minors checklist have been reconsidered and amended, and a note has been added to confirm that submission of information should be proportionate to the scale of development being proposed.</p>
<p>For all Householder Applications and most other smaller developments, satisfying the requirements of these TANs is proportionately excessive, especially at the Planning Application stage.</p>	<p>It has been made more explicit that the TAN is only relevant for new build residential or commercial floorspace. There is no requirement for Householder applications to be supported by the checklist.</p> <p>A note has been added to confirm that submission of information should be proportionate to the scale of development being proposed.</p>
<p>The SiD TAN should be more explicit about how rainwater harvesting will be used to reduce potable water demand.</p>	<p>It is considered that the provision of such detail may not be considered proportionate. Such details may be included on a review of the TAN</p>

Summary of Comment	Response
	or in the new Local Plan and through more in depth Supplementary Guidance.
Whilst there would be an aspiration to have water efficient appliances, it would not be known at planning stage how this would be achieved and such requirements could not be enforced.	The TAN is to ensure that the applicant has considered these issues. LPP1 Policy CP14 requires that developments incorporate measures to reduce carbon energy. This is a way of addressing this requirement and can be considered at this stage to show lower water consumption and reduced energy use in the operation of the development and can be conditioned.
Developments should be encouraged to be prosumers (generate own energy for consumption) rather than purely consumers	This has been amended to 'Have you considered Energy Generating technology on the site?', on the basis that sites can produce the energy they use and could contribute back to the grid if they can produce more than they would use on site. This is going further than just asking if renewable are used to generate the energy needed on site.
Suggest changing Carbon Neutral to a Dwelling Emission Rate of less than 0.00 tonnes CO2 / year	Carbon Neutral is an easier concept or statement to understand. However it is appreciated that Carbon Neutral could imply off setting, whereas the DER is a measure of the emission rate taking into account the specification of the building and therefore is a true reflection of the carbon reduction measures. Therefore the checklist has been amended to include both, stating 'Seek to produce the minimum of CO2 possible, be Carbon Neutral or show a dwelling emission rate of less than 0.00 tonnes CO2/Year if possible.'
Note that Future Homes Standard consultation is still under analysis. When introduced, it will be legally binding and therefore this question might not be needed	The checklist requests information to confirm that such appropriate standards have been met. The TANs will be reviewed in future and amended as a result of the Future Homes Standard if necessary.
The relationship between shading and reducing overheating should be more greatly emphasised	It is agreed that these all tie in together. The checklist has been amended to reference maximising natural light while avoiding overheating.

Summary of Comment	Response
The aspiration to use locally sourced suppliers isn't always possible, so this has a risk of not being achievable.	It is accepted that it will not always be possible nor will it necessarily be known at this stage, therefore the checklist has been changed to 'Will locally sourced suppliers be considered/used?'
The technologies listed identified photovoltaic tiles rather than systems – is this meant to indicate a preference away from panellised systems to roof integrated systems?	This wasn't the intention so it has been amended to systems to not appear to preference any particular system over another.
Reference to 'code for sustainable homes' should be removed as it is defunct	Reference to Code of Sustainable Homes has been removed
Building for Life 12 is a placemaking criteria, exclusive of sustainability so might not be relevant for this checklist	BFL12 is superseded with Building for a Healthy Life and reference can therefore be used to the later, as the Local Plan Part 2 refers to the later we will reference both for clarity.
The checklist refers to a transport statement being required for 35+ dwellings and then a travel plan required on 35+ dwellings. Is this correct?	This is taken from ESCC website ³ as to what is required for each type of application. No change necessary.
Suggested the production of a 'Design Guide'	Whilst it is agreed that this could be beneficial, this is for future consideration outside of these TANs. It could be considered as part of a wider design guide for general design principles, it could also be considered should design codes become more widespread.
Would like to see the wording for the water efficiency guidance to reflect Southern Water's Target 100	The requirement within the checklist is taken from LPP1 Core Policy 14, and as such is listed as a requirement. However, the question has been amended to reference a preference for target water consumption of 100 litres per person per day or less to show support for Southern Water aspirations.
Mature trees should be left on site due to carbon storage issues and amount of time taken for planted trees to sequester a similar amount.	Retain mature trees is a requirement under biodiversity heading.
Showers are not water efficient in themselves	Whilst showers are considered more efficient than baths generally, the question has been

³ [East Sussex County Council: Planning Applications – transport implications](#)

Summary of Comment	Response
	amended to cover all appliances rather than just baths/showers.
What does the requirement for an Energy Statement mean	The requirement for an Energy Statement comes from Core Policy 14, but requires one to be submitted only on allocated sites. Therefore this has been removed from the checklist as the requirement is so small.
Utility companies have the responsibility to be rolling out smart meters	It is considered that as the developer can request/ensure they are installed, this is still a relevant question to ask in the checklist.
What's a positive high energy rating is this the Energy Performance Certificates?	New builds are subject to New Build EPC's which are required for Building Regulations sign off, and takes into account detailed construction details in giving an energy rating. The EPC won't be done at planning stage, but applicants can commit to a positive performance outcome, which would be required anyway for Building Regulations sign off.
Lighting should refer to low voltage LED	It is considered this would be covered by general energy efficiency questions in the checklist and not necessary to name individually.
Is the Energy Opportunities Map still relevant now?	The map provides the most up to date information on Energy Opportunities, therefore it should be given some consideration
Have links/access to local cycle routes has been considered and is the development designed for safe cycling?	There is a questing in the design/location and layout section of the checklist which refers to consideration of the cycle network.

Comments on Circular Economy TAN

Summary of Comment	Response
The requirements of the CE TAN are currently a waste audit rather than a reflection of a CE approach being put in place. The CE TAN should start to embed the design philosophy which is at the heart of the CE into the design of buildings in the District. It is suggested that much more emphasis is placed on the	It is understood that providing encouragement to design in CE principles at the outset of a development proposal would be significantly more effective in ensuring that 'waste' is not generated and instead there is an ability for materials to be recovered, re-used and recycled in future. This approach would be much more

Summary of Comment	Response
sustainable design, with emphasis on the scheme promoter explaining how CE concepts were put at the heart of the development.	<p>effective for establishing CE principles as opposed to simply asking for details about quantities of waste and amount being recycled as the first draft of the CE TAN originally did.</p> <p>As a result, the emphasis of the CE TAN has been changed significantly in order to request for information about how CE approaches have been considered in the design of a proposal. The CE templates previously in the CE TAN have been removed, and the information is requested via the Sustainability in Development TAN checklist, to reduce the number of separate forms that applicants are expected to complete.</p>
The CE TAN focuses on advice around waste, and there is a need for a higher-level planning policy that requires the embodiment of CE principles and provide advice on different areas for zero carbon developments. These could include designing for embodied and operational carbon, insulation, reuse, recycling, green roofs, and building materials made from waste and organic materials.	It is anticipated that the new Local Plan seek to address Circular Economy principles and zero carbon development. Prior to the new Local Plan being prepared, the CE TAN and Sustainability in Development TAN are being put in place to seek to encourage thought to be given to these principles and to raise its profile so that it will be a more familiarly and common consideration by the time that a new local plan is adopted.
The CE statements seek to influence the design of the development, which does lead to a question of the available skills and opportunity for officers and members to understand and interrogate the design of a given proposal. This could be addressed through a Design Review Panel	The establishment of a Design Review Panel would have implications wide than the CE TAN, so would need to be considered at a greater scale. However, greater emphasis on design in proposed planning reforms may provide greater need for such a panel.
The TAN should emphasise that the use of local materials (which will support local employment) will be encouraged as part of Lewes District Council's approach to circular economy and community wealth building,	The use of local materials is referenced in the CE TAN and information on the use of locally sourced materials is requested as part of the Sustainability in Development TAN checklist.
It may not be possible for the information required by the CE TAN to be provided at Outline stage	The requirement to submit information on CE is now part of the Sustainability in Development TAN. This recognises that the information provided proportionate to the matters for consideration, with some matters being appropriate at Outline stage and others

Summary of Comment	Response
	appropriate at Reserved Matters stage.
The Newhaven Local Employment and Training Technical Guidance Note should be extended to cover the rest of the District	The Newhaven Local Employment and Training Technical Guidance Note pilot programme to assist in securing local labour agreements as part of development proposals in Newhaven. If this pilot is effective, the roll out across the District will be considered
The checklist requirements are similar to a traditional Waste Minimisation Plan, and could be integrated into the Sustainability in Development checklist.	The Circular Economy information requirements have been incorporated into the Sustainability in Development TAN checklist to reduce the number of checklists to be submitted
The requirements of the CE TAN cannot be designed in advance in a Planning Application, particularly a household extension.	The requirements of the CE TAN have been changed to emphasise the designing in of CE principles, rather than reporting on waste arising, and been incorporated into the Sustainability in Development TAN. This only applies to Major and Minor applications, and not householder extensions.
The CE TAN appears to be designed to exclude small developers and to favour major developers who will have systems in place for handling such questions and will probably subcontract the responsibility to another firm.	The requirements of the CE TAN have been changed to emphasise the designing in of CE principles, rather than reporting on waste arising, and been incorporated into the Sustainability in Development TAN. This provides separate information for major and minor applications, and reiterates that the submission of information should be proportionate to the scale of development being proposed
The CE TAN may be too long and difficult for developers to engage with.	The requirement to submit CE information has been incorporated into the Sustainability in Development TAN, so the CE TAN is now shorter

Comments on Biodiversity Net Gain TAN

Summary of Comment	Response
Support the integration of guidance from the Wildlife Trusts.	It is confirmed that guidance from the Wildlife Trusts was considered in the preparation of the TAN

Summary of Comment	Response
At the Application stage, biodiversity net gain is effectively a box ticking exercise to satisfy the local authority rather than a meaningful attempt at enhancing the environment or conserving it into the future.	Biodiversity net gain is referenced within the NPPF so a consideration to be taken into account in the determination of a planning application.
The Policy Context should reference LPP2 Policy DM24	Updated to include and LPP1 and LPP2 added to Further Reading
Concern about the cost implications of a management plan spanning a 30 year minimum	The Environment Bill identifies the requirement for habitat enhancement to be maintained for at least 30 years after the development is completed, so it is expected that this will be mandatory
Add further by stipulating the way in which information is presented as part of a planning application to enable the council to put in place the mechanisms required to effectively asses applications at validation stage.	Reference made to link with the Sustainability in Development TAN, which provides a checklist for what evidence should be submitted with an application to show how BNG has been addressed.
The TAN needs to be really clear that the mitigation hierarchy is separate to the BNG, and that any loss will be compensated for and 10% net gain provided in addition to that compensation. The BNG hierarchy could be presented more simply to prioritise avoidance amongst all other levels of the hierarchy	Text has been amended to make clear that the mitigation hierarchy is separate from BNG, and two diagrams added: one to describe the mitigation hierarchy, and another to show how the hierarchy works with BNG
Some of the examples highlighted as ways to deliver BNG, whilst being beneficial for biodiversity, would not create a net gain.	The examples identified that are not positive BNG actions have been removed from the list.
There should be further information provided to encourage minor applications can be encouraged to consider BNG.	Text has been updated to encourage consideration in minor applications, and included within the checklist within the Sustainability in Development TAN.
A link to the Sussex Biodiversity Record Centre should be added to the Further Reading list.	Sussex Biodiversity Record Centre added to Further Reading list

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SUSTAINABILITY IN DEVELOPMENT

TECHNICAL ADVICE NOTE

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1. Introduction

- 1.1 Lewes District Council has declared a **climate emergency**, with a headline target of becoming a fully resilient and **Net Zero** Council by 2030. This will require a massive effort, both on behalf of the Council and its Officers, partner organisations, residents and developers and commercial concerns.
- 1.2 **Sustainability** within development is one of the primary frontiers on which real and lasting benefits can be made. This Sustainability TAN seeks to draw together the different aspects of development which can influence how sustainable it is, in order to make it easier to consider these factors in both the design and construction phases and ensure that low carbon development outlined in National Guidelines becomes a reality.
- 1.3 The impacts of climate change are unavoidable, and are set to get worse. New development should consider these factors from the outset and ensure that the site, and the people who will eventually be using it, will be as prepared as possible. The amount of energy that will need to be consumed on the site should be reduced as much as is practical. Where energy has to be used, it should be done in the most efficient way possible, utilising the best materials for the job.
- 1.4 The sustainability of a development should not just be considered from a point of view of the resulting development. During construction, emissions come from the creation of the materials used in construction, from bringing people and materials to the site, and from the use of machinery. Once built, buildings are responsible for emissions from operational energy, such as heating, cooling, lighting and water, as well as energy use to power common place appliances.
- 1.5 This TAN should be read in conjunction with the Circular Economy TAN and together they set out how the planning system plays a crucial role in ensuring that buildings built now are fit for purpose in the future and that we reduce the emissions released during the life cycle of the development, from its construction, occupation and evidential demolition or decommissioning.

2. Background

- 2.1 The Council's focus for the next four years as set out in the **Corporate Plan** is to:
- Provide leadership to the district on tackling Climate emergency;
 - Create sustainable community wealth;
 - Build homes that people can afford to live in.
- 2.2 The **Corporate Plan** further sets out the ambition to put **Sustainability** at the heart of the **Local Plan**, and the council are working to progress actions to tackle the climate emergency including developing a Sustainability and Climate Change Framework.
- 2.3 The National Planning Policy Framework (NPPF) sets out the purpose of the Planning System to contribute to the achievement of **sustainable development**. At a very high level, the objective of **sustainable development** can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs.
- 2.4 Paragraph 148 of the NPPF states that *“The planning system should support the transition to a low carbon future in a changing climate.....and should help to: shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure.”*
- 2.5 The National commitment to combatting Climate Change is underlined within the Planning Practice Guidance (PPG). The PPG on Climate Change states that *“...local planning authorities should ensure that protecting the local environment is properly considered alongside the broader issues of protecting the global environment. Planning can also help increase resilience to climate change impact through the location, mix and design of development.”* It goes on to state that *“addressing climate change is one of the core land use planning principles which the National Planning Policy Framework expects to underpin both plan-making and decision-taking.”* It describes that there is a statutory duty for Local Planning Authorities (LPA) to tackle climate change, and the impacts of climate change, through planning policies.
- 2.6 The PPG provides several examples of how to ‘mitigate climate change by reducing emissions’, which includes reducing the need to travel, providing opportunities for low carbon and low energy technologies, and promoting low carbon design to reduce the amount of energy used in new developments.

3. Expectations of New Development

- 3.1 This Technical Advice Note is specifically aimed at new build commercial and residential development. **Whilst there is no requirement for Householder applications to submit the Sustainability Checklist, all developments are encouraged to consider the checklist to inform important early decisions and to influence their design/project.** Whilst the retrofit of existing buildings to improve energy and water efficiency is strongly supported; the Council have little planning control over these works.
- 3.3 This Technical Advice Note should be consulted by developers during the design phase of development. The checklists combine potential sustainability options from across the six broad themes (including the Circular Economy which is linked to the Circular Economy TAN) and set out what applications are expected to deliver or encouraged to consider through the design process. The relevant checklist should be submitted with an application for Planning Permission (Full or Outline) to show that the policy requirements have been met and the relevant points have been considered. Not all requirements will be suitable for every development. Where a 'requirement' is not relevant for the development scheme this can be explained within the 'evidence' section of the checklist.
- 3.4 Given that sustainable construction and design should be considered from the outset of a project, and the checklists are a starting point in the bid to reduce carbon emissions, it will be a requirement to submit a checklist and/or accompanying statement with all pre-application advice requests for relevant proposals.
- 3.5 The suggestions that are within this checklist should be viewed as starting points for further investigation in a bid to reduce the Carbon footprint of the development. Your submitted documents should set out how these points have been considered. Implementing these suggestions, where appropriate, will not only add to the amenity of the residents or users of commercial sites, whilst securing a sustainable future, they will also add value to the developments themselves.
- 3.6 Submission of information, for example, on water use reduction measures, efficiency of appliances and incorporation of Electric Vehicle Charging Points in developments during the application stage, may prevent pre-commencement or pre-occupation conditions on planning permissions being required to ensure that sustainability measures are implemented in

accordance with Core Policy 14 of the Local Plan Part 1. This will speed up the planning process and reduce unnecessary cost.

- 3.7 Demolition often leads to large amounts of waste, and can impact on the amenity of residents. Retaining a building can preserve the character of the surrounding area; therefore we would encourage the reuse, repair and refurbishment of existing buildings to new uses wherever possible. If your site includes an existing building which is proposed for demolition we will expect your submission to outline why it is not suitable for reuse. Further detail on this is provided in the Circular Economy Technical Advice Note.
- 3.8 Using the planning system to promote food growth, and the creation of a sustainable food network is a concept growing in popularity and seeks to encourage developers to include space for growing food in new developments. The provision of good growing space will assist with ambitions of delivering sustainable development and is likely to be the basis of a policy in a future Local Plan.
- 3.9 All development is encouraged to give early consideration in design proposals and landscaping schemes to the location of food growing spaces, the use of productive trees or other edible planting. Edible landscaping can be utilised with food producing plants replacing ornamental plants in landscaping schemes without excessive financial burden. The intention being that outdoor amenity space already required as part of a good development is food friendly.
- 3.10 The Corporate Plan starts to explain the desire to create a sustainable economy that is a fairer place to live and work, with more of the money earned within Lewes District staying within the district, which directly benefits residents and local companies. To do this we need to consider social value and community wealth building throughout the Council's activities.
- 3.11 In planning terms, the concept of social value relates to the delivery of social, environmental and economic costs and benefits of developments. It is necessary to consider the impacts of a development across its lifecycle, and the monitoring of social value indicators or outcomes can ensure all parties understand the full legacy of development. We can embed community wealth building and social value into the planning system to capture the maximum wealth through construction and use values.
- 3.12 We can use social value calculations and metrics to enable the public to understand the positive impact that new development will have on their neighbourhood and community. Whilst LDC does not have a specific local plan policy setting social value or community wealth requirements, the

delivery of social, environmental and economic benefits from development is consistent with the National Planning Policy Framework, and its overarching ambition for achieving sustainable development and meeting local needs. Therefore new developments are encouraged to maximise social value in order to deliver as many public benefits as possible. For example your proposals should consider:

- Utilising local supply chains so money stays in the local economy
- Recruiting local people during construction and in operational use, increasing local employment
- Improving mental and physical health, through provision of high quality walking or cycling provision to encourage active travel.
- Creating inclusive places, which are capable of being adapted to changing needs
- Incorporating a variety of amenities and facilities which meet the local need, and create sustainable communities.

3.13 This is by no means an exhaustive list. Your application submission should set out the broader contribution that your development will bring to the local community.

3.14 Lewes District Council has already prepared the Newhaven Local Labour and Training Technical Guidance Note (adopted July 2020). The purpose of this is to assist in securing Local Labour Agreements which can secure local jobs and at both construction and operational phases of development within Newhaven. If your application is within Newhaven and constitutes major development as defined in paragraph 4.6, you will be required to make a commitment to local Labour obligations asset out in the TGN.

3.15 The Electric Vehicle Charging Points Technical Guidance Note requires new residential development to provide accessible EV Charging points to drive a transition to more efficient lower polluting vehicular technologies. This TGN should be read in conjunction with this TAN.

3.16 Energy systems are in transformation and technological advances are continuing which will change the way we generate and consume energy. Energy systems are increasingly renewable, decentralised, smart demand responsive configurations and the Council support the movement to developments which would produce their own energy for consumption or export. Given the pace of change in the industry, we encourage developers to ensure they are designing developments to be sustainable and we

welcome statements in addition to the checklists to set out how a development is a best practice example of sustainable construction.

4. How and When to use this Sustainability Checklist

- 4.1 The Checklist below is a comprehensive list of **sustainability objectives** and aspirations that should be considered at various stages of development. This document is designed to provide guidance on the authority's expectations for new development when applying local plan policies, in line with the NPPF requirement for transition to a low carbon future, and the PPG suggestions to 'mitigate climate change'. Any requirement listed in the checklist is taken from a local or national policy: the checklist does not require anything new to be considered or implemented. The concepts, design or construction techniques are not outlined in full in this document as it is not considered necessary at this stage, however future policies and supplementary guidance are being considered on the topic(s). For information regarding the Circular Economy concepts please see the Circular Economy TAN.
- 4.2 Mitigating and adapting to climate change, using natural resources prudently and minimising waste and pollution is a core principle of sustainable development and National Planning Policy. The purpose of the TAN is to guide development. **We do not intend to make the process burdensome; therefore the submission of information should be proportionate and relevant to the development proposed.**
- 4.3 **The applicant is expected to complete and submit the relevant checklist with their planning application for validation.** Separate checklists are provided for minor and major applications. You can submit further information through statements / reports but you should also complete the checklist. **Householder applications are not required to submit the checklist but are encouraged to consider the contents to influence their projects.** Given these issues should be considered from the outset of a project the checklist should be submitted with outline planning permission applications, with the information provided proportionate to the matters for consideration. Equally with a reserved matters application the checklist would need to be submitted to consider the matters to be determined. The relevant checklist should also be submitted with pre-application advice requests.
- 4.4 The overarching purpose of the planning system is to contribute to the achievement of sustainable development. A number of policies and documents set out requirements to assist in achieving this; however the

collective implementation of all policy documents and strategies are what will ensure that Lewes is genuinely delivering sustainable development.

- 4.5 This technical guidance should be read in conjunction with other Technical Guidance Notes, such as the Note on **Biodiversity Net Gain**, and the Note of the **Circular Economy**, as well as other requirements as part of the Planning Application Process.
- 4.6 Appendix 1 is for **Major Applications** which is to be used on applications which meet the following criteria:
- Residential: 10 or more dwellings / over half a hectare / building(s) exceeds 1000m² floorspace
 - Commercial: 1,000m² or more floorspace / 1 or more hectares
- 4.7 Appendix 2 is for **Minor Applications** and should be used on applications which meet the following criteria:
- Residential: up to 10 dwellings
 - Commercial: under 1,000m² floorspace / less than 1 hectare
- 4.8 Where a particular requirement is not applicable for an application, the reason for this should be described in the Evidence column.
- 4.9 PDF versions of each checklist that can be completed and submitted with an application are available to be downloaded from the Council's website.

Appendices

Appendix 1: Sustainability Checklist for Major Developments

BIODIVERSITY				
Populations and Habitat	Requirements	Met	Evidence	Policies NPPF: Chapter 15: Conserving and enhancing the natural environment Planning Practice Guidance: Natural Environment LPP1 Policies: CP8: Green Infrastructure CP10: Natural Environment and Landscape Character. LPP2 Policies: DM24: Protection of Biodiversity and Geodiversity Other: Biodiversity Net Gain Technical Note
	Provide a Tree Survey/Arboriculture statement	<input type="checkbox"/>		
	Determine if the development is likely to affect biodiversity	<input type="checkbox"/>		
	Complete a Preliminary Ecological Appraisal (PEA) survey of the site	<input type="checkbox"/>		
	Retain existing mature trees, hedgerows or other habitats	<input type="checkbox"/>		
	Indicate geological conservation interests	<input type="checkbox"/>		
	Consider the Habitat Regulations if the development is within 7km of the Ashdown Forest	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Has an Ecological Impact Assessment been carried out?			
	Does any proposed landscaping prioritise native species?			
	Is it possible that a new habitat could be created on site?			
Have protected species surveys been carried out or suggested?				
Net Gain	Requirements	Met	Evidence	
	Development must demonstrate that there is a Biodiversity NET GAIN of 10% as required by the Biodiversity TAN	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes/No/NA	Evidence	
	Has the DEFRA metric of the onsite biodiversity been calculated?			
	Will a minimum 10% Biodiversity Net Gain be achieved on site?			

	How is the net gain area going to be managed for the next 30 years?			
	Is there an opportunity for tree planting within the development?			

WATER EFFICIENCY				
	Requirements	Met	Evidence	Policies
Limit Use and Re-Use	Residential units will better a water consumption rate of 110 litres or less per person per day (preferably 100 litres per person per day or less, in line with Southern Water aspirations)	<input type="checkbox"/>		LPP1 Policies: CP14: Renewable and Low Carbon Energy and Sustainable Use of Resources
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Have water efficient appliances been considered?			
	Has the Water Efficiency Calculator been used for the proposed development to evidence water consumption?			
	Can water recycling systems be implemented on site?			
	Is rainwater harvesting possible on site?			

ENERGY EFFICIENCY				
	Requirements	Met	Evidence	Policies
Efficiency	Submit the Renewable Energy Scheme checklist	<input type="checkbox"/>		NPPF: Chapter 14: Meeting the challenge of Climate Change, flooding and coastal change
	Seek to limit CO ₂ production to the minimum possible, be Carbon Neutral or show a dwelling emission rate of less than 0.00 tonnes CO ₂ / year if possible.	<input type="checkbox"/>		
	Achieve a greater than 20% reduction in the Dwelling Emission Rate (DER) against the Target Emission Rate (TER)	<input type="checkbox"/>		Planning Practice Guidance: Renewable and low carbon energy LPP1 Policies CP8: Green Infrastructure
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Have Energy Efficient Materials been considered for the construction?			

	Commercial elements only: What BREEAM standard will your development achieve? Residential schemes only: Does the development meet future homes standard?			CP10: Natural Environment and Landscape Character. LPP2 Policies: DM24:Protection of Biodiversity and Geodiversity
	Could the development be equipped with smart meters?			
	If the home/commercial property will have built in appliances, will these be selected with energy efficiency in mind?			
	Will the development produce a positive / high energy rating?			
Reduce	Requirements	Met	Evidence	
	Ensure that the development takes every opportunity to reduce the amount of energy required in using the development	<input type="checkbox"/>		
	Take account of landform, layout, building orientation, massing and landscaping to minimise energy consumption	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes/No/NA	Evidence	
	Does the layout of the proposed construction maximise the natural light, while avoiding overheating?			
	Have light wells and skylights been considered?			
	Are so many artificial light sources necessary?			
Will locally sourced suppliers be considered / used?				
Generation	Requirements	Met	Evidence	
	Have you considered Energy Generating technology on the site?	<input type="checkbox"/>		
	Consult the Energy Opportunities Map (available in Appendix 5 of LPP1)	<input type="checkbox"/>		

	Additional Sustainability Questions	Yes/No/NA	Evidence	
	Does the Energy Opportunities Map identify the area to have potential for renewable energy on site?			
	Have these technologies been considered for inclusion in the development? <ul style="list-style-type: none"> Solar water heating systems Solar photovoltaic systems Generation from biomass or bio fuels Wind generated energy Heat pumps 			
	Are there already sources of renewable energy which could be used to power the development?			

DESIGN				
	Requirements	Met	Evidence	Policies
Location and Layout	Provide a Transport report (for 5+ dwelling apps) / Transport Statement (35+dwelling apps)	<input type="checkbox"/>		NPPF: Chapter 9 : Promoting Sustainable Transport Chapter 14: Meeting the challenge of climate change, flooding and coastal change Planning Practice Guidance: Flood risk and coastal change LPP1 Policies: CP10: Natural Environment and Landscape Character. CP11: Built and Historic Environment and
	Provide a Travel Plan Required on 35+ dwellings	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Does the location, layout and design of the development allow for 'Modal Shift'/design out car dependency?			
	Has the Cycle Network been considered when deciding the layout of the proposal?			
	Does the location of the development allow for walking routes, and easy access for local amenities?			
	Does the layout prioritise the needs of pedestrians, cyclists and users of public transport?			
	Have car club vehicles been considered?			
	Does the development provide adequate cycle parking, and include			

	details of location, security and design?			<p>High Quality Design CP13: Sustainable Travel CP14: Renewable and Low Carbon Energy and Sustainable Use of Resources.</p> <p>LPP2 Policies: DM26: Refuse and Recycling</p> <p>Other: Circular Economy Technical Advice Note Electric Vehicle Changing Point Technical Note</p>
Features	Requirements	Met	Evidence	
	Adequately address the need to reduce resource and energy consumption	<input type="checkbox"/>		
	Well designed and easy to use waste and recycling facilities	<input type="checkbox"/>		
	Building for Life 12 or Building for Heathy Life criteria taken into account	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Are electric vehicle charging points proposed at the rate set out in the Technical Note ?			
	If the development provides above minimum car parking requirements have you submitted a justification for such?			
	Have you submitted the waste and recycling checklist within the Guidance for Property Developers			
	Does the design allow for easy maintenance of its constituent parts?			
	Have you considered space for Working from Home?			
	Does the development protect the future amenity of residents?			
	Is amenity space provided within the development?			
	Does the proposal provide space for food growing?			
	Does the landscaping include space for edibles?			
	Is it possible to incorporate green walls or green roofs as part of the development?			
	Do any of the design features require ongoing management? If so is there a maintenance plan?			
	Does your submission set out how your development will maximise social value?			

Materials	Does the building fabric exceed the minimum regulations on thermal efficiency?			
	Have you designed with responsibly sourced materials?			
	Are the materials themselves for construction harmful to the environment in any way?			
Circular Economy	Requirements	Met	Evidence	
	Provide a Site Waste Management Plan	<input type="checkbox"/>		
	Consider the Waste Hierarchy	<input type="checkbox"/>		
	If your proposal is within Newhaven consider the Newhaven Local Employment and Training Technical Guidance Note 2020	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Does your application set out how your proposal has incorporated Circular Economy principles from the outset?			
	Are there existing buildings on the site? Has their reuse and refurbishment been considered, to prevent any unnecessary demolition?			
	Have you designed for long-term use/recoverability/longevity/adaptability and flexibility?			
	Is the development being carried out in a way which produces the minimum of waste?			
	How will you minimise the quantities of new materials used?			
	Can the demolition material be repurposed for use in the development?			
	Are locally sourced materials used, to reduce the amount of travelling required?			

CLIMATE RESILIENCE

CLIMATE RESILIENCE				
Flooding	Requirements	Met	Evidence	Policies NPPF: Paragraphs 155-165 Planning Practice Guidance: Climate Change LPP1 Policies: CP12: Flood Risk, Coastal Erosion, Sustainable Drainage and Slope Stability LPP2 Policies: DM22: Water Resources and Water Quality DM27: Landscape Design
	If the site is within Floodzone 2/3 provide a Flood Risk Assessment to be evaluated by the Environment Agency	<input type="checkbox"/>		
	Ensure there is no increase in surface water runoff from the development	<input type="checkbox"/>		
	Include a Sustainable drainage system (SuDS)	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Has the impact of flooding on the proposed development been considered?			
	Is there a Sustainable Drainage Scheme, supported by technical reports and details of whole life management and maintenance?			
Does the proposal ensure there is no more than 20% impermeable surfaces throughout the development				
Heat Stress	Requirements	Met	Evidence	
	Assess the risk of overheating and drought	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes/No/NA	Evidence	
	Does the development consider the effect of Global Warming?			
	Does the development ensure there is no increase in surface water runoff?			
Has the development been designed to minimise overheating?				

Appendix 2: Sustainability Checklist for Minor Developments

Please note that the submission of information should be proportionate to the scale of development being proposed

BIODIVERSITY				
Populations and Habitat	Requirements	Met	Evidence	Policies
	Provide a Tree Survey/Arboriculture statement if trees on site	<input type="checkbox"/>		NPPF: Chapter 15: Conserving and enhancing the natural environment Planning Practice Guidance: Natural Environment
	Determine if the development is likely to affect biodiversity	<input type="checkbox"/>		
	Retain existing mature trees hedgerows or other habitats	<input type="checkbox"/>		
	Consider the Habitat Regulations if the development is within 7km of the Ashdown Forest	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Has a Preliminary Ecological Appraisal (PEA) survey of the site been carried out?			
	Have protected species surveys been carried out or suggested?			
	Does any proposed landscaping prioritise native species?			
	Will there be an increase in biodiversity on site (Biodiversity Net Gain)?			

WATER EFFICIENCY				
Limit Use and Re-Use	Requirements	Met	Evidence	Policies
	Residential units will better a water consumption rate of 110 litres or less per person per day (preferably 100 litres per person per day or less, in line with Southern Water aspirations)	<input type="checkbox"/>		
Additional Sustainability Questions	Yes / No / NA	Evidence		

	Have water efficient appliances been considered?			
	Has the Water Efficiency Calculator been used for the proposed development to evidence water consumption?			

ENERGY EFFICIENCY				
Efficiency	Requirements	Met	Evidence	Policies NPPF: Chapter 14: Meeting the challenge of Climate Change, flooding and coastal change Planning Practice Guidance: Renewable and low carbon energy LPP1 Policies CP8: Green Infrastructure CP10: Natural Environment and Landscape Character. LPP2 Policies: DM24: Protection of Biodiversity and Geodiversity
	Seek to limit CO ₂ production to the minimum possible, be Carbon Neutral or show a dwelling emission rate of less than 0.00 tonnes CO ₂ / year if possible.	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Have Energy Efficient Materials been considered for the construction?			
	Commercial elements only: What BREEAM standard will your development achieve? Residential schemes only: Does the development meet future homes standard?			
Could the development be equipped with smart meters?				
Reduce	Requirements	Met	Evidence	
	Ensure that the development takes every opportunity to reduce the amount of energy required to 'use' the development	<input type="checkbox"/>		
	Take account of landform, layout, building orientation, massing and landscaping to minimise energy consumption	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes/No/NA	Evidence	
Will locally sourced suppliers be considered / used?				
Generati	Requirements	Met	Evidence	
	Have you considered Energy Generating technology on the site?	<input type="checkbox"/>		

	Additional Sustainability Questions	Yes/No/NA	Evidence	
	Are there sources of renewable energy which could be used to power the development?			

DESIGN				
Location and Layout	Requirements	Met	Evidence	Policies NPPF: Chapter 9 : Promoting Sustainable Transport Chapter 14: Meeting the challenge of climate change, flooding and coastal change Planning Practice Guidance: Flood risk and coastal change LPP1 Policies: CP10: Natural Environment and Landscape Character. CP11: Built and Historic Environment and High Quality Design CP13: Sustainable Travel CP14: Renewable and Low Carbon Energy and Sustainable Use of Resources. LPP2 Policies: DM26: Refuse and
	Provide a Transport report (for 5+ dwelling apps)	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
Does the development provide adequate cycle parking, and include details of location, security and design?				
Features	Requirements	Met	Evidence	
	Adequately address the need to reduce resource and energy consumption	<input type="checkbox"/>		
	Well designed and easy to use waste and recycling facilities	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Are electric vehicle charging points proposed at the rate set out in the Technical Note ?			
	If the development provides above minimum car parking requirements have you submitted a justification for such?			
	Have you submitted the waste and recycling checklist within the Guidance for Property Developers			
	Does the design allow for easy maintenance of its constituent parts?			
	Have you considered space for Working from Home?			
	Does the development protect the future amenity of residents?			
Is amenity space provided within the development?				

	Do any of the design features require ongoing management? If so is there a maintenance plan?			Recycling Other: Circular Economy Technical Advice Note Electric Vehicle Changing Point Technical Note
Materials	Does the building fabric exceed the minimum regulations on thermal efficiency?			
	Are the materials themselves for construction harmful to the environment in any way?			
Circular Economy	Requirements	Met	Evidence	
	Consider the Waste Hierarchy	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Are there existing buildings on the site? Has their reuse and refurbishment been considered, to prevent any unnecessary demolition?			
	How will you minimise the quantities of new materials used?			
	Can the demolition material be repurposed for use in the development?			
Are locally sourced materials used to reduce the amount of travelling required?				

CLIMATE RESILIENCE				
	Requirements	Met	Evidence	Policies
Flooding	If the site is within Floodzone 2/3, provide a Flood Risk Assessment to be evaluated by the Environment Agency	<input type="checkbox"/>		NPPF: Paragraphs 155-165 Planning Practice Guidance: Climate Change LPP1 Policies: CP12: Flood Risk, Coastal Erosion, Sustainable Drainage and Slope Stability LPP2 Policies: DM22: Water Resources and
	Ensure there is no increase in surface water runoff from the development	<input type="checkbox"/>		
	Include a Sustainable drainage system (SuDS)	<input type="checkbox"/>		
	Additional Sustainability Questions	Yes / No / NA	Evidence	
	Has the impact of flooding on the proposed development been considered?			
	Is there a Sustainable Drainage Scheme, supported by technical reports and details of whole life			

	management and maintenance?			Water Quality DM27: Landscape Design
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Lewes District Council

CIRCULAR ECONOMY

TECHNICAL ADVICE NOTE

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1. Introduction

- 1.1 Lewes District Council has declared a **climate emergency**. The Lewes District Corporate Plan 2020-2024 is working towards a Carbon Neutral future for the District. This requires a huge effort in many different areas. Plan-making and development management can support the transition to a low-carbon future in a changing climate.
- 1.2 This Technical Advice Note is directed towards encouraging a circular economy approach for the development sectors. The built environment sector is the largest user of materials globally. In the UK, construction is one of the largest consumers of materials and produces more waste than any other sector. In East Sussex and Brighton & Hove construction and demolition wastes (C&DW) amount to over half the total of all wastes produced¹, of 1.75million tonnes of solid waste handled each year C&DW accounts for 51%.²
- 1.3 Extending the life of buildings and recovering and reusing materials at the end of their life can significantly reduce the demand for materials and subsequent waste produced. Adopting a circular economy approach in the development sector will play a significant role in promoting resource efficiency and addressing the challenge of the climate emergency.
- 1.4 This Circular Economy Technical Advice Note has been prepared alongside the LDC Technical Advice Note on Sustainability in Development.

¹ East Sussex County Council, Construction and Demolition Waste SPD:
<https://www.eastsussex.gov.uk/environment/planning/mineralsandwaste/>

² East Sussex, South Downs and Brighton and Hove Waste and Minerals Local Plan draft revised policies consultation document March 2020:
<https://eastsussex.objective.co.uk/portal/wmlpr/2020a/r03>

2. Background

- 2.1 Circular economy is an approach to the recovery and reuse of materials to minimise waste and the import of replacement resources to help achieve climate resilience and sustainability and as such fits within the context of national, regional and local planning guidance and policy.
- 2.2 Circular economy is an element of Building Community Wealth, one of the main pillars in the **Councils Corporate Plan for 2020-2024** which highlights the circular economy as a sustainable way to build community wealth. The Council is currently piloting a scheme to secure local employment opportunities in Newhaven with the ‘Newhaven Local Employment and Training Technical Guidance Note’ having recently been approved. This Newhaven Technical Guidance Note seeks to build “community wealth”, which is another key aspect of the circular economy.
- 2.3 The National Planning Policy Framework (NPPF) sets out the purpose of the Planning System to contribute to the achievement of sustainable development through three overarching objectives, an Economic, Social and Environmental objective, which includes using natural resources prudently and minimising waste and pollution. These objectives are interdependent and need to be pursued in mutually supportive ways.
- 2.4 The Waste Management Plan for England 2011 sets out the Government’s ambition to work towards a more sustainable and efficient approach to resource use and management. The National Planning Policy for Waste (2014) sets out detailed waste planning policies requiring that decisions ensure that the handling of waste arising from the construction and operation of development maximises reuse/recovery opportunities and minimises off-site disposal.
- 2.5 The East Sussex, South Downs and Brighton & Hove Waste and Minerals Local Plan (WMP)³ seeks to reduce the environmental footprint, in particular greenhouse gas emissions, associated with the production and management of waste and minerals. It takes account of international and national policies relevant to waste and minerals and forms part of the statutory development plan for the area. A number of its policies, particularly those for implementing the waste hierarchy, are especially relevant to the circular economy and have informed this TAN.

³ <https://www.eastsussex.gov.uk/environment/planning/mineralsandwaste/>

- 2.6 Policy **WMP3a** of the WMP promotes strategies for waste prevention and re-use, and encourages development that involves the preparation of materials for re-use. It also supports developments that involve the utilisation of materials, or energy, derived from waste as a resource. Policy **WMP3d** sets the objective for waste management during construction, demolition and excavation. The durability of the construction has to be maximised, and waste needs managed as far up the *Waste Hierarchy* as practicable. The waste hierarchy is shown in figure 1 and discussed further in paragraph 4.3. Proposals for development should demonstrate how this is monitored within the construction phase. Policy **WMP3e** requires facilities for efficient waste management to be provided for and identified within the site plan. These should be addressed through the submission of a Site Waste Management Plan which is further explained in this document.

3. What is the Circular Economy?

- 3.1 The circular economy is defined as the approach where materials are retained in use, extracting their maximum value for as long as possible before being reused or recycled, leaving minimum waste. A circular economy would contribute to reducing waste, material cost, vehicle movements, air pollution, and noise. Where a circular approach is adopted, there is an emphasis on repair and reuse. This creates jobs, and means that development is easier adapted for future use.
- 3.2 The circular economy is a systems approach; it includes products, infrastructure, equipment and services and applies to every industry sector, not only the building sector. The circular economy contrasts with a linear economic development approach of 'make, use, dispose' industrial processes and the lifestyles dependent on them; a lifestyle of using up products with a finite lifespan created with finite reserves of materials. The circular approach, by contrast, takes insights from living systems. It considers that our systems should work like organisms, processing nutrients that can be fed back into the cycle.
- 3.3 In the planning context, the circular economy approach can be applied to development of residential and commercial buildings. Innovative design is required where the timeframe of the buildings' use is a starting point, including design principles which allow for longevity, and for adaptability or flexibility to changing requirements and circumstances over the future of these buildings. Residential developments are unlikely to require a comprehensive change, but in contrast non-residential buildings should be

adaptable and flexible and design must consider how a building can be kept in use for as long as possible.

- 3.4 Applying circular economy thinking to the built environment is complex, however there are guiding principles that promote a whole systems approach. These three core principles are summarised in Table 1.⁴

Table 1 - Core Principles

Principle	Developers commit to...
Responsible sourcing of materials	<ul style="list-style-type: none"> • Minimise the quantities of new materials used • Minimise the quantities of other resources used • Specify and source materials and other resources responsibly and sustainably
Designing for circularity	<ul style="list-style-type: none"> • Design for longevity, adaptability or flexibility and reusability or recoverability • Design out construction, demolition, excavation and municipal waste arising
Managing waste	<ul style="list-style-type: none"> • Manage demolition, excavation and construction waste • Manage municipal waste (household and industrial waste, if applicable)

- 3.5 The adoption of a Circular Economy approach will mean adapting the design and logistics of a development, which will also allow developers to benefit from cost savings; for instance by purchasing fewer materials and managing less waste arising from the development.
- 3.6 Choosing the most appropriate Circular Economy strategy will depend on context, the nature of the development, and owner and occupier needs. In many cases, a different approach can be adopted for different elements of a particular development. It may be possible to use components of an existing building on the site in the new development and demolish another

⁴ Source: pre consultation draft of the Guidance 'A Built Environment for All Londoners' (Mayor of London). The principles are consistent with the Waste Hierarchy and with economy systems thinking approach developed by the Ellen MacArthur Foundation (EMF).

building on the site but recycle or sell its construction components for reuse.

- 3.7 Demolition often leads to large amounts of waste, it also has impacts on the amenity of residents and retaining a building can preserve the character of the surrounding area. Therefore, the re-purpose and refurbishment of existing buildings to new uses is encouraged wherever possible. If the site includes an existing building which is proposed for demolition it is expected that the planning application would outline why it is not suitable for re-purpose.
- 3.8 Some of the different approaches that can be adopted are provided in Table 2. This is not an exhaustive list of methods, but can provide an overarching framework to define the approach/approaches to a given project.

Table 2 - Approaches to development

Existing developments or components	
Refurbishment	Redevelopment for similar needs and uses but meeting or exceeding current regulation and standards through restoring, refinishing and future proofing while minimising changes and avoiding replacement of any parts. Parts of historical significance are incorporated in the design and carefully preserved. Designed for longevity, adaptability or flexibility to prolong the new life of the development.
Repurpose	Redevelopment to accommodate different needs and/or uses (e.g. from industrial use to mixed use) but exceeding current regulations and standards through adapting and modifying with significant changes, and replacement of shorter-life parts. Parts of historical significance are incorporated in the design and carefully preserved. Designed for longevity, adaptability or flexibility to prolong the new life of the development.
Deconstruct and reuse	Building/Infrastructure disassembled, with the entire asset being reconstructed elsewhere, or individual components directly reused elsewhere.
Demolish and recycle	Traditional demolition, with elements and materials converted into new elements and materials and objects for use on the site, on another site nearby or sold back into the supply chain.

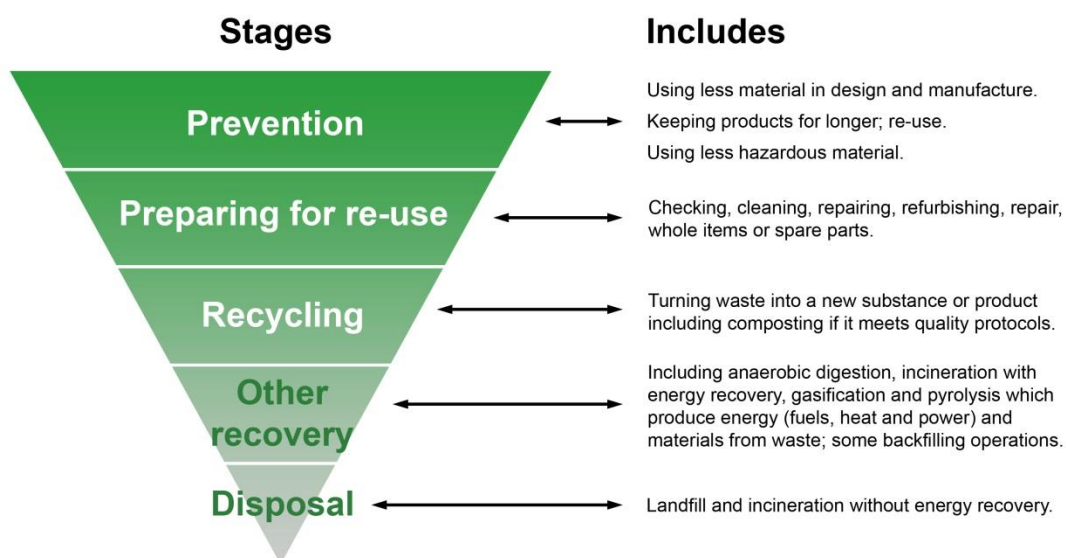
4. Expectations for New Development

Managing waste

- 4.1 The adoption of circular economy principles will contribute to waste reduction as part of the target for developments to produce net zero-waste. The **Sustainability in Development Technical Advice Note** asks for evidence of how construction, demolition and excavation waste have been considered in the planning application. Developments classed as 'major' will be required to submit a Site Waste Management Plan to address this.
- 4.2 It is a requirement set out in Policy 3d of the Waste and Minerals Local Plan for all planning authorities to consider how the applicant proposes to minimise the waste arising from construction, demolition and excavation works in order to maximise the sustainable management of waste and in particular, to minimise the need for landfill capacity.
- 4.3 Key principle of the WMP is the 'waste hierarchy'. The waste hierarchy, as illustrated in Figure 1, represents a ranking of different ways of dealing with waste, in a manner that gives a broad indication of their relative environmental benefits and dis-benefits. The hierarchy therefore acts as a guide to be used when assessing different waste management options.

Figure 1 - Waste Hierarchy

The Waste Hierarchy



Sourcing of materials

- 4.4 A circular economy approach aims to save resources, improve resource efficiency and help to reduce carbon emissions. All development must minimise the environmental impact of materials through the use of sustainably-sourced, low impact and recycled materials, using local supplies where feasible.
- 4.5 Where new materials are required several materials certification programmes exist that can provide assurance that materials are responsibly sourced.
- 4.6 The Council recommends the use of the Building Research Establishment Environmental Assessment Methodology (BREEAM). BREEAM is a sustainability assessment and certification scheme for the built environment and provides a widely recognised and well understood framework for the promotion of sustainable design. It allows for the assessment and rating of the environmental life cycle impacts arising from different types of developments, including energy, pollution, water, materials, health and wellbeing, and waste.
- 4.7 The sustainable procurement of materials, including the use of recycled, low impact and sustainably-sourced materials can be achieved by maximising materials ratings on the BRE Green Guide⁵. Targeting relevant BREEAM credits in relation to materials will assist non-residential development to achieve these requirements.
- 4.8 Responsible sourcing of materials also includes avoiding over-ordering of materials or requiring suppliers to participate in 'take-back' schemes where suppliers retrieve packaging and any unused materials.

Design

- 4.9 In order to support a circular economy approach, all developments must be designed to be adaptable and able to respond to change.

⁵ <https://www.bregroup.com/a-z/the-green-guide-to-specification/>

- 4.10 Residential developments are unlikely to require a change of use in the future and are designed for a longer life span. Functional adaptability may include:
- extendibility
 - potential for entrance level bed space and bathroom
 - potential for space for working from home.
- 4.11 However, non-residential developments are likely to have a shorter life-span, and therefore it is especially important that non-residential developments are designed to be adaptable and flexible. Developers may consider how they will ensure the functional adaptability of their building. This is likely to include one or more of the following approaches:
- a structural layer which enables internal flexibility;
 - internal layouts and modular solutions;
 - building extendibility;
 - flexible services.
- 4.12 All developments must be designed and managed to promote on-going operational sustainability over a long lifetime. All developments in Lewes District should seek to adhere to the '*Guidance for Property Developers: Refuse & Recycling Storage at New Residential and Commercial Developments within Lewes District*⁶.
- 4.13 Building design should also enable deconstruction in order to ensure the maximum value of building components can be recovered at the end of the building's life. There are two main considerations for Designing for Deconstruction: the choice of materials and components; and the way they are put together. In general, materials and components that are composite are harder to recycle. When putting together buildings, connections should be simplified and standardised, and building complexity should be reduced.

⁶ https://www.lewes-eastbourne.gov.uk/_resources/assets/inline/full/0/275794.pdf

5. The Sustainability Checklist and Circular Economy Requirements.

- 5.1 Lewes District Council supports the circular economy approach and will ask that development proposals incorporate Circular Economy principles into their proposals. The **Sustainability in Development Technical Advice Note** includes a comprehensive list of sustainability objectives that have circular economy objectives integrated. This Technical Advice Note is specifically aimed at new build commercial and residential development. Whilst there is no requirement for Householder applications to submit the Sustainability Checklist, all developments are encouraged to consider the checklist to inform important early decisions and to influence their design/project.
- 5.2 It is not intended to make the process more burdensome, therefore the submission of information should be proportionate to the development proposed. Therefore the **Sustainability in Development Technical Advice Note** includes a checklist for minor and major applications separately.
- 5.3 The checklist asks a series of questions which should be considered from the outset of your project around how waste can be minimised, but also how your design concept has considered reducing the materials used and how you have designed for the maximum longevity of the buildings proposed. Information provided should be proportionate to the development proposed, therefore for large schemes it is likely you will submit a statement alongside the checklist which sets out how your project is considered sustainable development covering all aspects of the checklist.
- 5.4 You may not know what specific materials are proposed to be used at application stage; therefore you should show a commitment to considering responsibly and locally sourced materials and minimising the quantities of new materials used.
- 5.4 The circular economy approach aims to minimise the wider environmental impacts of materials and construction processes. Buildings must be designed to be adaptable, flexible and able to respond to change in order to extend a building's useful life, ensuring resource efficiency and avoiding unnecessary demolition. To increase contributions to the sustainability objectives, developers are encouraged to integrate circular economy principals from the outset of a project, and therefore it will be requirement

to submit a checklist and/or accompanying statement with all pre-application advice requests for relevant proposals and applications for outline planning permission.

- 5.5 A Site Waste Management Plan (SWMP) is required to be submitted with all major applications to evidence how you will meet the requirements of WMP3 of the WMP. A SWMP should include, where relevant to the proposal the types and quantities of waste that will be generated during the demolition (if any) and construction phases and the measures to ensure that waste is managed in accordance with the waste hierarchy. Planning Statements should set out how waste will be dealt with during the operational phase of the development in terms of the waste hierarchy.

Appendices

Appendix 1: Additional Resources / Further Reading

BREEAM

The BREEAM In-Use (BIU) assessment process adopts circular economy concepts to rethink how resources are considered. BIU ratings are scored against key environmental categories that assess a building's environmental performance and management. These categories are based on influential factors including: energy and water efficiency, health and wellbeing benefits to occupants, biodiversity, access to sustainable transport, resilience to risks including from climate change and circular economy principles (waste and materials). Performance against these categories determine a development's overall BREEAM In-Use rating from good and best practice to beyond.

Further information is available here: <https://www.breeam.com/discover/technical-standards/breeam-in-use/>

BSI (The British Standards Institution)

Published in May 2017, BS 8001 is the first practical framework and guidance of its kind for organisations to implement the principles of the circular economy and has been written in way so that it can be used wherever they are in the world. It is intended to apply to any organisation, regardless of location, size, sector and type. It will be useful to those with varying levels of knowledge and understanding of the circular economy. It provides practical ways to secure smaller 'quick-wins', right through to helping organisations re-think holistically how their resources are managed to enhance financial, environmental and social benefits.

Further information is available here: <https://www.bsigroup.com/en-GB/standards/benefits-of-using-standards/becoming-more-sustainable-with-standards/BS8001-Circular-Economy/>

The Ellen MacArthur Foundation

The Ellen MacArthur Foundation was launched in 2010 to accelerate the transition to a circular economy. Since its creation the charity has emerged as a global thought leader, establishing the circular economy on the agenda of decision makers across business, government, and academia.

Further information is available here:

- <https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy>
- <https://www.ellenmacarthurfoundation.org/our-work/activities/circular-economy-in-cities>
- <https://www.ellenmacarthurfoundation.org/resources/learn/circular-design-toolkit>

GOV.UK - U1 waste exemption: use of waste in construction

The U1 exemption allows you to use suitable waste, rather than virgin raw material or material that has ceased to be waste, in construction activities. However, a quality protocol must be complied with.

Further information is available here:

<https://www.gov.uk/guidance/u1-waste-exemption-use-of-waste-in-construction>

Mayor of London

The Mayor has set out his vision of London transitioning to a circular economy in the draft London Plan and his Environment Strategy. The Design for a Circular Economy Primer has been written to help support organisations in the built environment sector understand how they can embed circular economy principles into their projects and design processes.

Design for a Circular Economy Primer is available here:

https://www.london.gov.uk/sites/default/files/design_for_a_circular_economy_web.pdf

Circular Economy Statement Guidance - pre-consultation draft is available here:

<https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/planning-guidance/circular-economy-statement-guidance-pre-consultation-draft>

TU Delft

TU Delft has established itself as one of the leading technical universities in Europe and offers a range of online technical educational courses.

Further information is available here:

- <https://ocw.tudelft.nl/courses/circular-economy/>
- <https://online-learning.tudelft.nl/courses/circular-economy-design-and-technology/>
- <https://online-learning.tudelft.nl/courses/circular-economy-for-a-sustainable-built-environment/>

UKGBC – UK Green Building Council

UKGBC was originally established to offer clarity, cohesion and leadership to a disparate sector, and to campaign for a sustainable built environment. UKGBC is working with its members and other stakeholders to develop practical guidance, raise awareness, and influence policy to enable organisations working in the built environment to overcome the barriers to implementing circular economy principles.

Further information is available here: <https://www.ukgbc.org/our-mission/>
<https://www.ukgbc.org/ukgbc-work/circular-economy/>

WRAP

How Moving To A Circular Economy Can Help The UK To Build Back Better. WRAP believes that adopting a more circular economy could help the UK recover from the economic impact of the COVID-19 pandemic. Further information is available here: <https://wrap.org.uk/buildbackbetter>

Assessing the costs and benefits of reducing waste in construction. Reducing, reusing and recycling waste can help to reduce costs on construction projects. Further information is available here:

<https://www.wrap.org.uk/sites/files/wrap/CBA%20Summary%20Report1.pdf>

Builders: Reducing the cost of waste on site. WRAP operated a programme of work supporting the construction industry in reducing waste and improving resource efficiency. Further information is available here:

<https://www.wrap.org.uk/sites/files/wrap/Onsite%20Builders.pdf>

Appendix 2: Glossary of Key Definitions

Term	Definition
Construction and demolition waste	Arises from construction and demolition activities including smaller do-it-yourself project within private households. Wastes may include concrete, bricks, tiles, ceramics, wood, glass, plastic, bituminous mixtures, coal tar, metals, insulation and gypsum among other materials.
Excavation waste	Material excavated from construction sites, including rock, sand, stones and soils uncontaminated with dangerous substances.
Flexibility	Designed to balance the needs of the present with how those needs will change in the future and designed for change through frequent reconfiguring including reconfiguration of non-structural parts.
Industrial waste	Waste produced by industrial activity which includes any material that is rendered useless during a manufacturing process such as that of factories, industries, mills and mining operations.
Municipal waste	Household waste and other waste similar in composition to household waste irrespective of who collects it or disposes of it. It includes all household waste, street litter, waste delivered to council recycling points, municipal parks and gardens wastes, council office waste, Civic Amenity waste, and some commercial waste from shops and smaller trading estates. It can also include industrial waste similar in nature to municipal waste. Waste under the control of local authorities or agents acting on their behalf is now better known as 'Local Authority Collected Waste'
Recovery	To obtain value from wastes through one of the following means recycling, composting or energy recovery
Recycling	The processing of waste materials into new products to prevent waste of potentially useful resources. This activity can include the physical sorting of waste which involves separating out certain materials from mixed waste.
Reuse	The use of a product in its original form with minimal reprocessing, that was originally destined for waste or recycling.



Lewes District Council

BIODIVERSITY NET GAIN

TECHNICAL ADVICE NOTE

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1. Introduction

- 1.1 Biodiversity Net Gain is an approach to development and land management that aims to leave the natural environment in a measurably better state than it was beforehand.
- 1.2 Preserving and enhancing biodiversity in the development process is currently a consideration in the planning system that must be taken into account along with a number of other considerations. Given the seriousness of the issue of the continuing decline in Biodiversity in the UK and globally, this approach needs to change. It is no longer enough to identify protected species and aim to conserve designated sites through the development process
- 1.3 Lewes District Council Corporate Plan has made a clear commitment to prioritising biodiversity and delivering a green Local Plan. As a result, biodiversity should be a priority in development as a general principle, and that open spaces, new buildings and development design should deliver biodiversity benefits throughout. The Council is considering how it can help to reverse the decline in biodiversity while continuing to provide the housing and commercial development necessary for our thriving communities' economic and social prosperity.
- 1.4 The UK government is also seeking to drive Nature Recovery through a number of measures including the mandating of measurable Biodiversity Net Gain in new development in the Environment Bill, which is likely to become law in 2021.
- 1.5 The continued protection of the habitats and species designated nationally and locally for their rarity or importance should not be compromised by this new approach.
- 1.6 The National Planning Policy Framework already requires local planning authorities to encourage developers to incorporate biodiversity improvements in and around developments, especially where this can secure measurable net gains for biodiversity.
- 1.7 This technical note builds on the NPPF requirements and, in advance of biodiversity net gain being mandated through the Environment Act, aims to provide developers and the public with guidance in relation to Lewes District Council's expectations of Biodiversity Net Gain by development in the area of District that is outside of the South Downs National Park.

2. Biodiversity And Climate Change

- 2.1 It has been widely acknowledged that climate change and biodiversity are interconnected. Climate change has negative impacts on biodiversity and is likely to become one of the most significant drivers of biodiversity loss, and loss of biodiversity will have significant direct and indirect impacts on human life and human well-being. However, biodiversity also makes an important contribution to climate change mitigation and adaptation, which means that conserving and promoting biodiversity is critical in the fight against climate change.
- 2.2 The National Biodiversity Network's State of Nature 2019¹ report suggests that the UK is amongst the most nature-depleted countries in the world with 41% of our species in decline since 1970 and 15% threatened with extinction. The report highlights that the UK's wildlife continues to decline due to increased pollution, intensive farming methods and the expansion of the built environment all contributing to biodiversity loss, in addition to climate change.
- 2.3 In July 2019, the council declared a Climate Emergency with a headline target of becoming a fully resilient and net-zero council by 2030 and supporting Lewes district towards achieving the same goal. Arresting biodiversity losses is inextricably tied to climate resilience, flooding impacts, the ability to sequester and store carbon, and achieving the desired sustainable, carbon neutral communities.

¹ <https://nbn.org.uk/stateofnature2019/>

3. Background

- 3.1 Planning Policy for biodiversity in the UK has been moving in recent years from simply ensuring the **conservation** of the natural world throughout the planning process, to a position where habitats and wildlife are instead **enhanced** by those very developments.
- 3.2 Section 40 of the Natural Environment and Rural Communities Act 2006 places a duty on local planning authorities to have regard, in the exercise of their functions, to the purpose of conserving biodiversity in making decisions on planning applications.
- 3.3 In 2018, the Department for Environment, Food and Rural Affairs (DEFRA) published '*A Green Future: Our 25 Year Plan to Improve the Environment*', which sets out the Government's aims to deliver cleaner air and water in cities and rural landscapes, protect threatened species and provide richer wildlife habitats, and generally "*leave the environment in a better state than we found it*".
- 3.4 As part of achieving this aim, it identifies the principle of embedding an 'environmental net gain' to put the environment at the heart of planning and development to create better places for people to live and work. The plan outlines the intention to strengthen the requirement for planning authorities to ensure environmental net gains across their areas, and consult on making this mandatory.
- 3.5 A Government consultation took place in late 2018 to seek views on proposals to make biodiversity net gain mandatory for developments when granting planning permission. The subsequent 2019 Spring Statement confirmed that the government will use the forthcoming Environment Bill to mandate biodiversity net gain for development in England to ensure that the delivery of much-needed infrastructure and housing is not at the expense of vital biodiversity.
- 3.6 An Environment Bill summer policy statement (July 2019) outlined that developers will be required to ensure habitats for wildlife are enhanced, with a minimum 10% increase in habitat value for wildlife compared with the pre-development baseline. It also identified exemptions for certain types of development, protections for 'irreplaceable habitats', and how net gain will be administered.
- 3.7 On 30 January 2020, the Government reintroduced the Environment Bill following the general election. The Bill, which sets out the future

governance framework for environmental law once the UK leaves the EU, is currently making its way through Parliament. It is proposed that the biodiversity net gain requirement will come in force after a two-year 'transition period' after the Bill receives royal assent.

- 3.8 In advance of the biodiversity net gain requirement coming into force, expected to be in 2022, Lewes District Council are setting out expectations for how biodiversity net gain should be taken into consideration in light of the current policy expectations.

4. Policy Context

- 4.1 The National Planning Policy Framework [NPPF] is a material consideration in the determination of planning applications.
- 4.2 The NPPF (2019) requires that, when determining planning applications, local planning authorities should apply the principle that ‘opportunities to incorporate biodiversity improvements in and around developments should be encouraged, especially where this can secure measurable net gains for biodiversity’ (NPPF, para 175).
- 4.3 It further states that planning decisions should contribute to and enhance the natural and local environment by minimising impacts on and providing net gains for biodiversity (NPPF, para 170).
- 4.4 There is further reference to net gains, with a requirement for planning policies and decisions to take opportunities to achieve net environmental gains – such as developments that would enable new habitat creation (NPPF, para 118).
- 4.5 Planning Practice Guidance² confirms that planning conditions or obligations can be used to require that a planning permission provides for works that will measurably increase biodiversity.
- 4.6 The Lewes Local Plan Part 1: Joint Core Strategy 2010-2030 was adopted in May 2016. It identifies enhancing biodiversity as a key issue in protecting and enhancing the distinctive quality of the environment.
- 4.7 Core Policy 10: Natural Environment and Landscape Character identifies that the natural environment of the district will be conserved and enhanced by maintaining and where possible enhancing local biodiversity resources including through maintaining and improving wildlife corridors, ecological networks and avoiding habitat fragmentation in both rural and urban areas.
- 4.8 The Lewes Local Plan Part 2: Site Allocations and Development Management Policies was adopted in February 2020. This recognises the value of the natural environment in planning for our future through Policy DM24: Protection of Biodiversity and Geodiversity.

² [Natural Environment - Paragraph: 023 Reference ID: 8-023-20190721](#)

5. Expectations for Biodiversity Net Gain in New Development

- 5.1 Once enacted, the Environment Bill will require developers to ensure habitats for wildlife are enhanced with a measurable increase in biodiversity.
- 5.2 Lewes District Council supports this approach, and in advance of biodiversity net gain becoming mandated, will ask that development proposals incorporate Biodiversity Net Gain principles and provide evidence with the planning application of how Biodiversity Net Gain has been achieved.
- 5.3 Prior to Biodiversity Net Gain becoming mandatory through the Environment Act, this Guidance Note will be used to inform applicants of the Council's expectations so that the necessary integration of biodiversity can inform the design of development.

Measuring Biodiversity

- 5.4 The Council expects that biodiversity will be measured using the DEFRA Biodiversity Metric, in line with Planning Practice Guidance³, and that this is used to demonstrate that a biodiversity net gain outcome is being achieved.
- 5.5 The latest DEFRA Biodiversity Metric and User Guide can be obtained from the Natural England website:
<http://publications.naturalengland.org.uk/publication/5850908674228224>
- 5.6 Further details on measuring biodiversity and the use of the DEFRA Biodiversity Metric are provided later in this document.

Expectation by application type

- 5.7 The Council expects that major planning applications will demonstrate a minimum 10% increase in Biodiversity Net Gain, and would encourage applications to consider achieving higher net gains in proposals.

³ [Natural Environment - Paragraph: 023 Reference ID: 8-023-20190721](#)

5.8 A **Major** Application is a development proposal that meets the following criteria:

- Residential: 10 or more dwellings / over half a hectare / building(s) exceeds 1000m² floorspace
- Commercial: 1,000m² or more floorspace / 1 or more hectares

5.9 Other planning applications submitted within the area for which Lewes District Council is the planning authority (i.e. outside the South Downs National Park) are expected to meet the criteria in Table 1.

Table 1 - Expectations by application type

Expectations by Application Type	Major applications <i>10+ dwellings / over 0.5 hectare / building(s) exceeds 1000sqm floorspace</i>	Minor applications <i>Less than 10 dwellings or less than 1,000sqm of commercial floorspace</i>	Householder <i>(extensions / outbuildings) and change of use applications</i>	Permitted development <i>The Town and Country Planning (General Permitted Development) (England) Order 2015 [as amended]</i>
Lewes District Council expectation	Minimum 10% biodiversity net gain expectation with encouragement for higher net gains	Expectation of some net gain	Net gain encouraged	Net gain encouraged
Anticipated national requirement	Minimum 10% biodiversity net gain requirement expected to be introduced with Environment Bill	Simplified version of metric expected to be introduced with modifying condition values pre-populated	Expected to be exempt	Expected to be exempt

5.10 The **Sustainability in Development TAN** provides a checklist for consideration of sustainability issues in Major and Minor planning applications, including biodiversity requirements and considerations. This checklist includes how evidence showing how biodiversity net gain has been considered in the proposal should be submitted. The relevant checklist should be completed and submitted with the planning application.

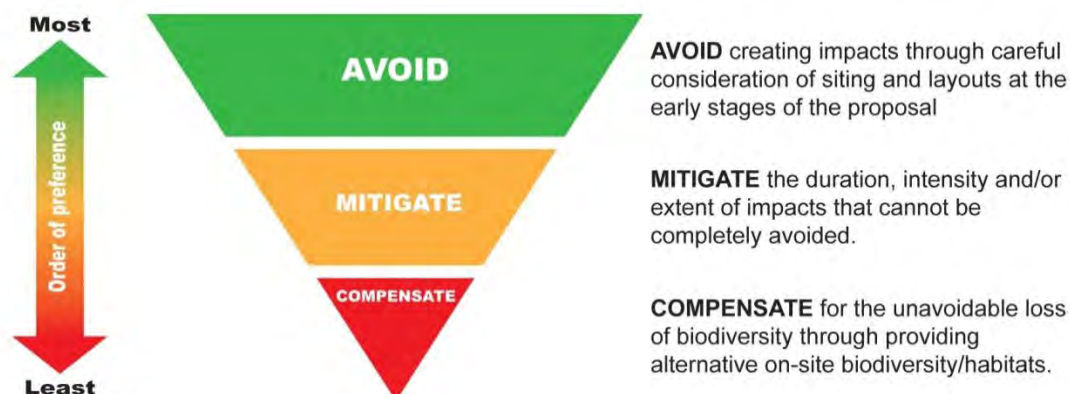
5.11 Other types of applications are encouraged to submit a statement outlining how they have considered biodiversity net gain in the proposal.

Other Biodiversity Principles

5.12 The Council expects that other biodiversity principles are fully considered alongside biodiversity net gain. Biodiversity net gain does not replace existing protections (designated sites, protected species); and it does not apply to irreplaceable habitat. There are laws to protect important sites and species from harm, for which Natural England have enforcement powers.

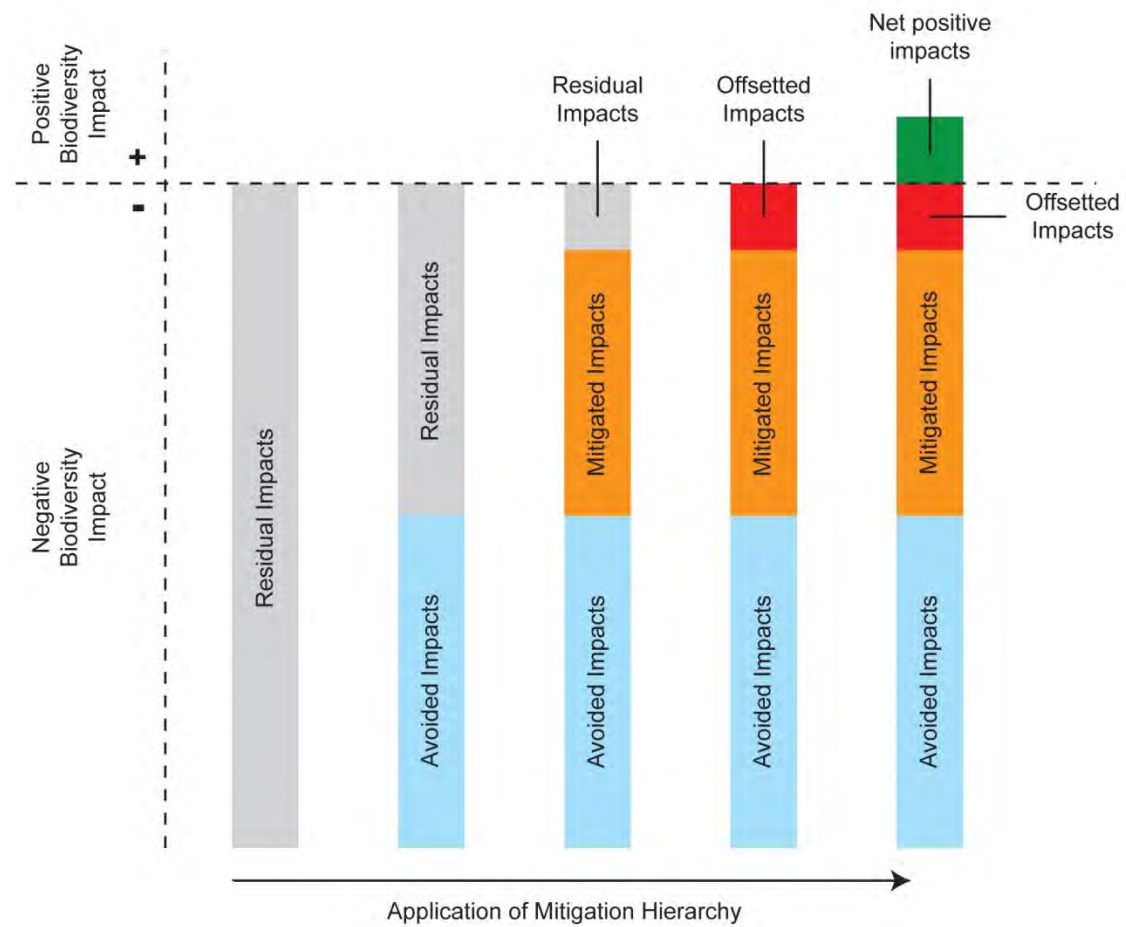
5.13 The NPPF requires that, when determining planning applications, local planning authorities should apply the 'mitigation hierarchy' of avoid, mitigate, compensate, and where a development cannot satisfy the requirements of the 'mitigation hierarchy', planning permission should be refused (para 175). The mitigation hierarchy is shown in Figure 1.

Figure 1 - Biodiversity Mitigation Hierarchy



5.14 The biodiversity mitigation hierarchy is a separate consideration from biodiversity net gain, and the introduction of biodiversity net gain does not weaken, undermine or replace the mitigation hierarchy as the primary consideration. Net gain is additional to the hierarchy and only applies once the impacts on biodiversity have been avoided, mitigated and compensated. Figure 2 shows how biodiversity net gain is in addition to the mitigation hierarchy.

Figure 2 - Application of the Mitigation Hierarchy and Net Gain



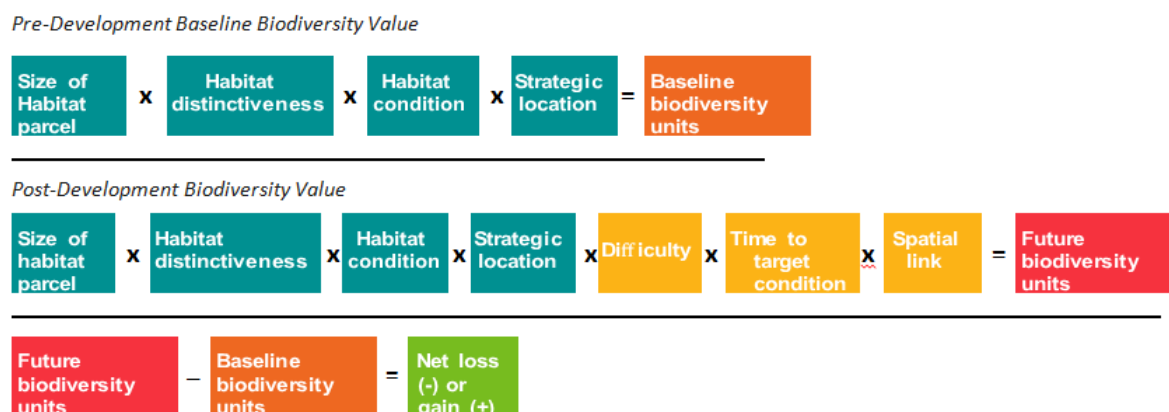
Pre-emptive Clearance

5.15 The council **will not** tolerate the deliberate clearing of valuable habitats before the application process. Where there is evidence of deliberate neglect or damage to any of the habitats and species, their deteriorated condition will not be taken into consideration and the ecological potential of the site will be used to decide the acceptability of any development proposals.

6. Measuring Biodiversity Using the DEFRA Metric

- 6.1 The DEFRA Biodiversity metric should be used to assign a 'score' to the site in terms of its biodiversity. This scoring should be undertaken in accordance with the most up to date DEFRA Metric which enables the user to measure different habitat types in "biodiversity units", based on criteria such as the habitat distinctiveness, condition and extent.
- 6.2 The DEFRA metric should be used to assign a unit score to the site prior to development. The information needed to populate the metric should be taken from habitat surveys of the site before development and any related habitat clearance or management. It should then be used to assign an estimated unit score to the site after the proposed development takes place, taking into account habitats proposed on-site and if necessary, and additional habitat improvement off-site.
- 6.3 The level of net gain is established by comparing the 'pre-development' unit score with the 'post development' unit score. For major development, the 'post-development' unit score must represent a 10% increase on the 'pre-development' unit score. The process is described in Figure 3

Figure 3 - DEFRA Metric calculation

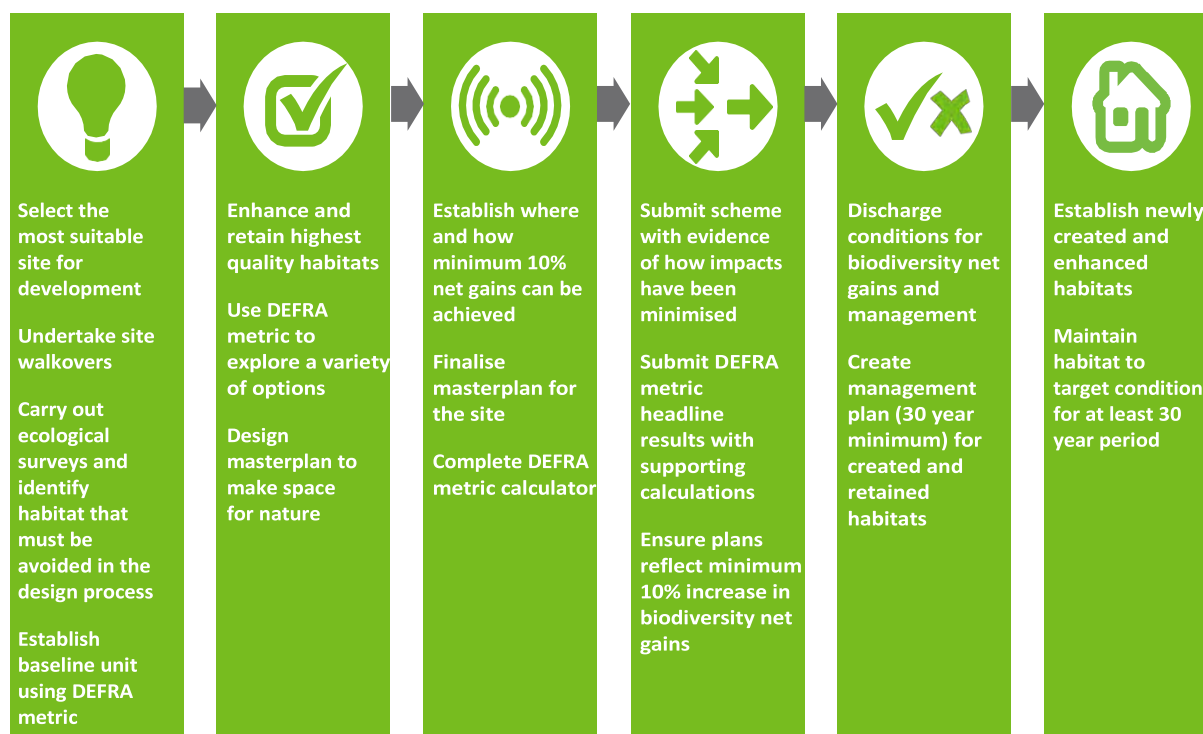


- 6.4 The DEFRA Metric calculations must be made by a suitably qualified ecologist⁴ who will need to undertake an appropriate on-site ecological appraisal (to best practice standards) with the evidence base supported by robust and transparent survey information and justification.
- 6.5 For an in depth explanation of the DEFRA Metric, please see the DEFRA Metric User Guide or obtain advice from a suitably qualified ecologist.

⁴ Holds a degree or equivalent qualification in ecology or a related subject. Is a practicing ecologist, with a minimum of three years relevant experience if working without the support of a more senior ecologist. Is covered by a professional code of conduct and subject to peer review

7. Biodiversity Net Gain on Major Developments

7.1 Applicants will be expected to demonstrate how they have integrated biodiversity into the development proposal at the earliest stages by following the process set out below:



7.2 Net gain for biodiversity is defined as delivering more or better habitats for biodiversity and demonstrating this through the use of the DEFRA biodiversity metric. It encourages development that delivers biodiversity improvements through habitat creation or enhancement. An expectation for Biodiversity Net Gains should be borne in mind in decisions to acquire sites. Biodiversity net gain should then be designed into the scheme at the earliest point, and should be suitable to the locality.

7.3 The Wildlife Trust publication '*How to build housing in a nature friendly way*⁵ identifies some methods that biodiversity net gain can be designed into a scheme, and an extract from this publication is provided as Figure 1.

⁵ https://www.wildlifetrusts.org/sites/default/files/2018-05/homes_for_people_and_wildlife_lr_-_spreads.pdf

Figure 4 – Extract from *Homes for Wildlife and People – How to build houses in a nature friendly way: A Wildlife Trusts Publication (January 2018)*



Housing developments can provide accessible natural areas close to people's homes, designed to complement the wider local landscape and linking up large, nature-rich open spaces with a network of green and blue corridors. Long-term, well-funded management of these wild, open spaces would provide an environment perfect for both people and wildlife. Features could include:

- | | | |
|---|---|--|
| <p>1 Permeable driveways to help reduce flood risk</p> <p>2 Trees, hedgerows, water and other habitats integrated with development</p> <p>3 Wildflower verges along roads and formal open spaces</p> <p>4 Lighting designed to avoid disturbing wildlife</p> <p>5 Sustainable urban drainage, swales and raingardens for wildlife and flood relief</p> | <p>6 Bat roosts, bird boxes and other wildlife features designed into buildings</p> <p>7 Renewable energy and water efficiency built in from the outset</p> <p>8 Safe, attractive, connective pedestrian and cycle routes</p> <p>9 Features and corridors to help invertebrates, reptiles, hedgehogs and other mammals</p> <p>10 Wildlife-friendly green roofs and walls</p> | <p>11 Native, wildlife-friendly plants of local origin used in gardens and landscaping</p> <p>12 Wildlife-permeable boundaries between gardens and open space</p> <p>13 Allotments and community orchards for local food</p> <p>14 Street trees for wildlife, shade and improved air quality</p> <p>15 Interpretation panel to help people understand the needs of wildlife and the environment</p> |
|---|---|--|

7.4 Other ways of designing schemes that promote biodiversity and deliver opportunities for net gain could include:

Planting and Landscaping

- Design landscaping with biodiversity in mind
- Use native species of seasonal value and interest to local wildlife in planting schemes
- Create rough grassland areas as wildlife corridors with appropriate mowing regimes
- Plant nature depleted open spaces with native grass and wildflower mixes
- Encourage allotment creation with hedgerows, fruit tree avenues, beetle banks and other wildlife corridors
- Create environmental features in parks and open spaces, including copses, ponds, ditches, rough areas and dead wood piles
- Where appropriate and safe to do so, provide some standing dead wood or lying dead wood.
- Maximise tree canopy cover with the aim of covering no less than 20% of the developed area
- Link site to a network of green corridors within the locality and seek to compliment the Nature Recovery Network by delivering habitats that can provide connectivity and function
- Provide wildflower meadows, grass-cut mazes or verges that are appropriate in a semi-urban context.
- Consider the potential for planting new community orchards using local varieties of apple, pear and plum

Drainage and Water Management

- Include reedbed and willow filtration systems within sustainable drainage systems (SUDS)
- Provide soft-edged drainage ditches in place of underground pipes where possible.
- Provide a sizeable amount of rough grass and if possible woodland, to encourage newts, frogs and toads and other water-loving creatures

- Where there are natural streams or rivers adjoining the development retain rough riparian grassland or sandy banks with some overhanging trees to encourage kingfishers, sand martins, water voles and otters.
- Consider soft engineering options instead of canalising watercourses.
- Consider building a sand martin wall in a relatively undisturbed area

Habitat Creation

- Incorporate green walls by providing climbing plants on unused walls as nesting habitat for birds, bat roosts and for invertebrates
- Consider the use of green or 'living' roofs that feature local native vegetation.
- Provide integral house 'bricks' for swifts and bats, or integral nest boxes and ledges for barn owls
- Encourage the use of bat boxes, house sparrow boxes, house martin/swallow nests etc.
- Encourage wildlife-friendly climbing plants on houses and boundary fences/walls

7.4 Once the scheme has been designed and it can be demonstrate that Biodiversity Net Gain is being achieved, the management of the biodiversity on-site will need to be considered. In line with DEFRA recommendations, developments should be monitored for 30 years to ensure that they accord with their biodiversity commitments.

7.5 In order to demonstrate how proposals meet the requirements for biodiversity net gain, major applications will be expected to:

1. Establish Baseline Biodiversity Unit Score (Pre-development)

Assess the existing number of Biodiversity Units on the site (pre-development) using the latest version of the DEFRA Metric as part of on-site ecological appraisals performed by a suitably qualified ecologist.

2. Design net gains into development proposals

Use the information to design the site layout using the principles of the Mitigation Hierarchy. All schemes need to evidence base early consideration of habitat retention and enhancement of the best quality habitats on site. This should already be evidenced through the Ecology Assessment.

3. Calculate Projected Biodiversity Unit Score (Post-development)

Calculate the Headline Results of the Biodiversity Net Gain Metric for the completed development (final scheme design scheme) alongside standard environmental reporting such as Environmental Impact Assessments and ecology surveys.

This must demonstrate how a minimum 10% Net Gains will be achieved over a 30 year time period. If it does not, return to stage 2 and re-design the scheme to create additional biodiversity net gain.

4. Submit Biodiversity calculations for validation

The submission of a stand-alone document that shows a minimum 10% Net Gain increase in biodiversity from the DEFRA Metric, along with its associated calculations, should be provided at validation stage.

5. Formulate a Post Construction Environment Management Plan.

Establish a management plan to ensure that the post development enhanced habitats can be effectively managed to achieve their target condition for a minimum 30 year period in line with DEFRA recommendations. This may be secured by way of planning condition.

What if Biodiversity Net Gain cannot be achieved on site?

- 7.6 Only in exceptional circumstances, where all possibilities for on-site retention, reduction, mitigation and on-site compensation have been exhausted, the applicant may explore measures for the creation of compensatory biodiversity units on separate land to the application site. This is known as biodiversity offsetting.
- 7.7 Such off-site compensation must demonstrate the re-creation of the unit value of the biodiversity lost, plus the additional 10% Biodiversity Net Gain enhancement as a minimum. It must also demonstrate the provision of replacement habitats that are either of the same habitat type or of a higher quality.
- 7.8 Where biodiversity net gain cannot be delivered on-site, there will be a clear requirement for off-site biodiversity to deliver towards a strategic vision to ensure that benefits to biodiversity are maximised and that there

is a clear mechanism for delivery. Planning Practice Guidance⁶ identifies that such off-site measures can sometimes be secured from ‘habitat banks’, which comprise areas of enhanced or created habitats which generate biodiversity unit ‘credits’.

- 7.9 The forthcoming Environment Bill intends to introduce Conservation Covenants. These are private agreements between a landowner and a “responsible body” that can be used as an alternative way to create and retain habitats for the 30 year period recommended by DEFRA. Once the Environment Bill achieves Royal Assent it is expected that applicants will be able to include draft conservation covenants with their applications. Further details will be available on this soon.
- 7.10 Given biodiversity net gain should be considered from the outset of a project, information that is proportionate to the proposal and stage of the project should be submitted with requests for pre-application advice. Equally, with Outline or Reserved Matters applications, the information provided should be relevant and proportionate to the matters for consideration.

⁶ [Natural Environment - Paragraph: 023 Reference ID: 8-023-20190721](#)

8. Biodiversity Net Gain on Minor Planning Applications

- 8.1 Applications for smaller sites comprising minor development will not initially require the submission of a DEFRA metric calculation. However, applicants could still seek a clear understanding of their development site in terms of the ecology that is present and how the site functions within the current landscape, prior to development. By having this level of understanding, it allow consideration of any biodiversity enhancements that could provide biodiversity net gain, and applicants are encouraged to incorporate the design features identified in Section 7 in a way that is proportionate to the scheme.
- 8.2 A more simple points-based system is being developed and it may be possible in the future to use this for applications in the Local Authority areas. This will provide an easy to use and robust form of biodiversity measurement which will enable the developer and Local Authority to make informed decisions about the retention, mitigation and enhancement of existing biodiversity.
- 8.3 Until that time developers still need to follow the wider planning guidance to provide biodiversity net gain set out in the NPPF and Local Plan (above).

Further Reading

DEFRA Biodiversity Metric and User Guide

<http://publications.naturalengland.org.uk/publication/5850908674228224>

Lewes District Local Plan Part 1: Joint Core Strategy, 2016

<http://www.lewes-eastbourne.gov.uk/planning-policy/lewes-core-strategy-local-plan-part-1/>

Lewes District Local Plan Part 2: Site Allocations and Development Management Policies, 2020

<https://www.lewes-eastbourne.gov.uk/planning-policy/lewes-local-plan-part-2-site-allocations-and-development-management-policies/>

National Planning Policy Framework (NPPF), 2019

<https://www.gov.uk/government/publications/national-planning-policy-framework-2>

Sussex Biodiversity Record Centre – *a recognised source for biodiversity information in Sussex*

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

The Wildlife Trusts: How to build housing in a nature friendly way

https://www.wildlifetrusts.org/sites/default/files/2018-05/homes_for_people_and_wildlife_lr_-_spreads.pdf

CIEEM: Biodiversity Net Gain – Principle and Guidance for UK Construction and Developments:

- Good Practice Principles for Development: <https://cieem.net/resource/biodiversity-net-gain-good-practice-principles-for-development/>
- Good Practice Principles – A Practical Guide: <https://cieem.net/resource/biodiversity-net-gain-good-practice-principles-for-development-a-practical-guide/>
- Case Studies: <https://cieem.net/resource/biodiversity-net-gain-case-studies/>

BSI British Standard

<https://www.bsigroup.com/en-GB/industries-and-sectors/construction-and-the-built-environment/corporate-social-responsibility-and-environment-management/>

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