

**Policy and Performance
Advisory Committee
25 January 2021**



Time: 3.30 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 Joe Miller (Chair); Councillors Liz Boorman (Deputy-Chair). Robert Banks, Nancy Bikson, Roy Burman, Isabelle Linington, Milly Manley, Christine Robinson, Adrian Ross, Steve Saunders and Stephen Gauntlett

Quorum: 3

Published: Friday, 15 January 2021

Agenda

1 Minutes of the previous meeting (Pages 5 - 10)

To consider the minutes of the meeting held on 30 November 2020.

2 Apologies for absence

3 Declarations of Interest

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

4 Urgent Items

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

5 Written Questions from Councillors

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

PERFORMANCE REVIEW

6 Updates and Reports from the Policy and Performance Advisory Committee Work Programme:

- (a)** Update on the review of the Development Management area of the Planning Service (Pages 11 - 16)
- (b)** Tourism in the District Update (Pages 17 - 22)
- (c)** Wave Leisure Partnership Support update (Pages 23 - 26)

POLICY INPUT AND DEVELOPMENT

7 Requested reports due for consideration by the Cabinet on 4 February 2021:

- (a)** Recovery and Reset Programme (Pages 27 - 34)
Report of Chief Executive
- (b)** General Fund Revenue Budget 2021/22, Capital Programme (Pages 35 - 64)
Report of Chief Finance Officer
- (c)** Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy (Pages 65 - 126)
Report of Chief Finance Officer
- (d)** Annual Review of Fees and Charges (Pages 127 - 150)
Report of the Chief Finance Officer
- (e)** Portfolio progress and performance report quarter 3 - 2020-2021 (Pages 151 - 162)
Report of Deputy Chief Executive and Director of Regeneration and Planning
- (f)** Climate change and sustainability strategy - to follow
Report of Deputy Chief Executive and Director of Regeneration and Planning
- (g)** Community safety partnership annual report (Pages 163 - 174)
Report of Deputy Chief Executive and Director of Regeneration and Planning

(h) Voluntary Sector Report (Pages 175 - 192)
Report of Deputy Chief Executive and Director of Regeneration and Planning

(i) Planning Technical Advice Notes (Pages 193 - 270)
Report of Deputy Chief Executive and Director of Regeneration and Planning

8 Forward Plan of Decisions (Pages 271 - 290)

To receive the Forward Plan of the Cabinet.

9 Policy and Performance Advisory Committee Work Programme (Pages 291 - 294)

To receive the Policy and Performance Advisory Committee Work Programme.

10 Date of Next Meeting

To note that the next meeting of the Policy and Performance Advisory Committee is scheduled to be held on 21 March 2021 via Microsoft Teams.

Information for the public

Accessibility:

This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

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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Policy and Performance Advisory Committee

Minutes of meeting held remotely on 30 November 2020 at 3.30 pm.

Present:

Councillor Joe Miller (Chair).

Councillors Liz Boorman (Deputy-Chair), Robert Banks, Nancy Bikson, Roy Burman, Roy Clay, Stephen Gauntlett, Christine Robinson, Jim Lord, Adrian Ross and Steve Saunders.

Officers in attendance:

Millie McDevitt (Performance and Programmes Lead), Jo Harper (Head of Business Planning and Performance), Philip Brown (Property Lawyer), Andrew Clarke (Deputy Chief Finance Officer (Financial Planning)), Bill McCafferty (Revenues and Benefits Manager) and Tim Whelan (Director of Service Delivery).

Also in attendance: none

1 Minutes of the previous meeting

The minutes of the meeting held on 3 November 2020 were submitted and the Chair was authorised to sign them as a correct record.

2 Introductions and notification of apologies for absence

Apologies were received from Councillor Milly Manley and Councillor Roy Clay was appointed as a substitute.

3 Declarations of Interest

Councillor Steve Saunders declared a prejudicial interest in item on the agenda as a trustee of CTLA and a voluntary assistant with Community Cars. Councillor Saunders advised he would leave the meeting for the duration of the item.

4 Urgent Items

There were none.

5 Written Questions from Councillors

There were none.

5a Wave Leisure Partnership Support update

The Chair, Councillor Miller advised Members that officers had requested that, in view of the continuing changes to the restrictions imposed on leisure facilities and their ability to open during the current crisis, and until next set of conditions were known, and the support needed by Wave also being subject to change, the item be taken to the January meeting.

RESOLVED that the item will be considered at the next scheduled meeting of the Committee.

6a Community Wealth Building

Jo Harper, Head of Business Planning and Performance, presented the report. During discussion the following points were highlighted:

The Centre for Local Economic Strategies (CLES) had been chosen to provide the report as a national expert who had the ability to draw on best practice from other authorities. The Committee would be provided with the cost of the work following the meeting. There had not the capacity within the organisation internally to provide the information in the report, within the timeframe.

RESOLVED to support the recommendations in the report in full.

6b Support for local people in financial distress

Tim Whelan, Director for Service Delivery, presented the report. During discussion the following points were highlighted:

There was sufficient funding in the hardship fund to provide the award for every person of working age on the scheme and would be made prior to the annual billing of council tax. The award was for 2020/2021 year and a separate consultation would take place the following year on the Council Tax Reduction Scheme. The County Council and Police precepts would not be impacted on.

RESOLVED to support the recommendations in the report in full.

6c Quarterly Performance report Q2

Performance Lead, Millie McDevitt, presented the report. During discussion it was agreed that further detail would be performance indicators below:

- Percentage of household waste sent for reuse, recycling and composting (the service was waiting for third-party varication of the figures).
- Total number of reported fly-tipping incidents (and the location of the incidents).
- Community & Customers: Number of Anti-Social Behaviour

- The decrease in the average number of days to re-let Council homes (excluding temporary lets)
- Exceeding government Planning targets for the % of major applications determined within 13 weeks and minor applications within 9 weeks.

Members were provided with updates on the following service areas:

- Planning service –
 - The post of planning enforcement officer had been filled and the incumbent started work on the 14 December. A Senior Planning Officer would be starting on March 2021 and interviews would be taking place over the following two weeks to provide additional resources within the Development Control team. The Service was looking to fill all posts across both authorities which were 3 Senior Advisors and between 5-7 customer advisors. This constituted 30 percent of the Service's workforce. The staff employed would be working in smaller geographical teams. Agency work would be considered if the positions remained unfilled. Over the previous two years, 3 officers had been supported in achieving their planning qualifications and this would continue, subject to resources.
 - There was confidence that the authority would meet the target for the 'percentage of appeals allowed against the authority's decision not to grant planning permission' over the course of the two-year period set for the target. Additional commentary would be included in future reports on the impact of the Government target.
 - The details of appeal decisions were reported to the Planning Committee on a quarterly basis. The main issue was around decisions that were overturned and how further training could mitigate the impact of these results.
- Performance indicators to measure customer satisfaction (including the Planning service) – this was an indicator that had been looked at but was difficult to quantify. The pandemic had delayed further investigation into how a meaningful indicator could be provided. Planning, equally, was difficult to measure as feedback was often guided by the outcome of the application. However, this was an area that was under consideration.

The Committee asked for its thanks to be passed on to the Customer Contact Team for the good work produced and the high degree of professionalism shown during a difficult period.

RESOLVED to support the recommendations in full.

6d General Fund Revenue Budget Update - to follow

Andrew Clarke, Deputy Chief Finance Officer, presented the report. There was no discussion on the item.

RESOLVED to support the recommendations in the report in full.

6e Community Infrastructure Levy Recommendations for Spending

Emma Kemp, Senior Planning Policy Officer, presented the report. During discussion the following points were highlighted:

- The bid from South Downs National Park (SDNP) authority of £100,000 (Egrets Way Phase 6 of the route from Newhaven to Piddinghoe) was for a smaller amount and was to make up the shortfall from the source of an original, larger bid for the wider project.
- The bid from Community Transport for Lewes District Area (CTLA) was to support the Hill Crest base as it did not have a charging point that was needed to accommodate a condition in an alternative bid for an electric vehicle.
- The list of unsuccessful bids was not available, however, approximately 70 percent of the bids submitted had been successful. The ability to provide details of unsuccessful applications to the Committee would be looked in to.
- The successful cross-border bids related to bridleways that predominantly ran through Lewes District or were within walking distance of the boundary and benefited Lewes District residents. Bids had not been made to neighbouring authorities, in part, as not all the authorities had established Community Infrastructure Levy charging schedules.
- The bid by Sussex Police for automatic number plate recognition (ANPR) cameras was to support police work on the busy south coast road.
- The remaining £80,000 in the CIL fund would remain and be included in the next round of bidding in 2021.

RESOLVED to support the recommendations in the report in full.

NOTE:– Councillor Steve Saunders left the meeting for the duration of this item and did not take part in the discussion.

6f Report on the Memorandum of Understanding between Environment Agency and Lewes District Council relating to coastal risk management at Telscombe Cliffs

Tim Whelan, Director of Service Delivery, presented the report. During discussion the following points were highlighted:

- There was a 'general clause' within the memorandum of understanding

(Mo) that referred to partnership working. The details of those partners and the level of involvement had not been finalised.

- The landowner referred to in the MoU would be the owner of land at the base of the cliff, where the assets would be based. The number of assets at risk from erosion and the number of organisations involved allowed funding applications. A South East Coastal Group meeting was due to take place and a development and engagement plan would be developed following the meeting.
- There was no budgetary impact from the MoU as it was the starting point for the project and further, complex work would be undertaken. The report stated that previous consultation had taken place and any future projects within the scheme would require significant consultation.

RESOLVED to support the recommendations in the report in full.

7 Forward Plan of Decisions

Members considered the Forward Plan of Decisions and raised the following points:

- It was requested that the ability for the Committee to have early access and input into policy development be looked at.
- The Chair, Councillor Miller, requested that a 'call-over' process for the Committee be investigated whereby Members would receive all reports on the agenda but by consensus, agree at the start of each meeting, which items it wished to discuss and which it considered did not require further discussion.
- The omission of the Council Tax Base report from the agenda would be looked into.

The following items from the Forward Plan were requested for inclusion on the agenda for the Committee's meeting on 25 January 2021.

- Recovery and Reset Programme
- General Fund Revenue Budget 2021/22, Capital Programme
- Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy
- Voluntary Sector Report
- Annual Lewes District Community Safety Partnership Report.
- Denton Island Bowls Club

- Planning Technical Advice Notes

8 Exclusion of the public

RESOLVED, that the press and public be excluded from the meeting during consideration of Agenda Item 12 (North Street Quarter Delivery -update) on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) (information relating to an individual and information relating to the financial/business affairs of particular persons).

9 Policy and Performance Advisory Committee Work Programme

The Chair, Councillor Miller, presented the Committee's Work Programme.

There was no discussion on the item.

RESOLVED to note the Committee's Work Programme.

10 North Street Quarter - update on delivery

The Chair, Councillor Miller, introduced the item. The Committee was asked to agree that the meeting move into exempt session.

RESOLVED that the public and press be excluded from the meeting for the following item of business which involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972.

RESOLVED to support the recommendations in full.

The meeting ended at 5.10 pm

Councillor Joe Miller (Chair)

Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title:	Review of the Development Management (DM) area of the Planning Service
Report of:	Leigh Palmer, Head of Planning
Ward(s):	All
Purpose of report:	To advise on the operations & functions of the DM service.
Officer recommendation:	(1) To note the updated information within the report. (2) to report back to PPAC the progress on the action points in 1 above after 6 months.
Reasons for recommendations:	To provide an efficient and economic DM service that is responsive to its customer base.
Contact Officer(s):	Name: Leigh Palmer Post title: Head of Planning E-mail: leigh.palmer@lewes-eastbourne .gov.uk Telephone number: 07939578235

1 Introduction

1.1 At the meeting of the Committee in September 2020, several initiatives and service development proposals in relation the Development Management were agreed and endorsed.

1.2 This report provides members with a three-month update. Members will recall that there were 25 action areas over three key themes, this has been supplemented by two additional criteria looking at appeal overturns and a PI looking at planning enforcement. The summary of the progress made is reported in table 1 below and further explanation is included with the body of the report:

Performance Indicator (PI) met – action concluded 8
Some action taken and or work in progress 11
Not started – No action taken 8

One key change since the last report is the formation of a dedicated planning department under the Planning First branding.



This will enable clarity over line management responsibilities, budgeting, and performance management.

2 Theme One Customer Engagement & Interaction

2.1 Under this theme the service has had several criticisms relating primarily to customers having poor/limited access to staff to discuss progress and issues on applications.

It should be noted that there will always be disgruntled applicants/neighbours if a particular decision has not gone their way; this theme though looks at the issues relating to the case officer contact in the lead up to the recommendations being made:

1. **Poor contact direct with the case officer** - Supported home working technology including telephony– response to C19 - could include roll out of second screens for home use - Concluded - 2nd screen roll out has been concluded. All staff have telephony to enable working from home. Established a 'Customer Charter for Development Control' that establishes customers.

2. **Poor contact direct with the case officer** - Explore the potential to move an element telephony/indexing back with Customer Advisors - Outstanding - Waiting for the new recruits to become established to understand if this remains an issue.

3. **Poor contact direct with the case officer** - Instigate regular rounds of mystery shopping and report findings - Outstanding - Waiting for the new recruits to be established and they this will be rolled out.

4. **Complaints handling and feedback** - Concluded - Initiated Service Improvement Group where these issues are discussed.

5. **Customer Feedback** Instigate a LDC annual customer survey - Outstanding - In discussion with Planning Advisory Service to understand the National picture and take learning points.

6. **Wider engagement** – Planning User Group - Review the function of this group to understand if its meeting the wishes of the Members - Outstanding - Chair of PUG has requested greater breadth of issues (key themes etc and emerging policy) brought to the group. These are now standing items.

7. **Complex enforcement cases** - Scope the potential of the establishment of a 'Difficult Property Group' to support the Enforcement Team in processing complex cases - Outstanding - Planning Enforcement Lead commenced 14 December this is to be picked up in the coming months.

8. **Neighbour consultation letters** - Service Improvement Group are looking at this issue with resolution being discussed to include direct dial numbers.

9 **Social Media** – Outstanding Service Improvement Group are looking at this issue with resolution being discussed to include weekly lists pushed out via our Social Media Platforms.

3 **Theme Two Staffing and Establishment**

3.1 This theme looks at current staffing levels alongside recruitment and retention issues as to whether these are impacting on service delivery:

10 **Staff numbers** – Concluded - A review & recruitment regime has been concluded, with 7 offers made. This is in addition to the enforcement officer.

11 **Professional Qualifications** – Concluded - Continue to support (financial and day release) academic qualifications for three planning apprentices. This has been agreed. The opportunity will be extended to others when the current cohort graduate.

12 **Unsupported staff** -Outstanding - Embed a buddying system for more junior members of staff - Will be rolling this out when all new recruits are in post.

13 **Staff feeling exposed due to lack of experience** - Embed a small geographical area teams to increase local understanding – Concluded - all new recruits assigned to geographical area.

14 **South Downs National Park** - Concluded = The new recruits have given us the opportunity to continue with the SDNPA contract to next review in the Autumn 2022.

15 **Staff survey (annual)** - Respond to issues arising from the annual staff survey and any internal – external audit of the service – Outstanding - Liaised internally on this and next staff review is awaited.

4 **Theme Three Performance**

4.1 This theme looks at performance of the DM team against nationally and locally set performance indicators.

4.2 These performance indicators at the speed of processing major and non-major application and the quality of those decision by way of the number of appeals that have been overturned by the Planning Inspectorate.

4.3 It is this area where the Council could be most affected by the reputational damage caused by under performance and where several the customers raise issues with the time taken to process applications.

- 4.4 The Government runs a rolling two-year data set to soften the periodic peaks and troughs in performance.
- 4.5 For all of these national performance indicators there is the potential of 'Special Measures' designation if the indicators are not met.

16. Local PI, Speed of validation, - Currently 50% validated within 5 Working Days - Restructure ways of working to ensure that 80% of submissions are validated within 5 working days - Outstanding - The end of year performance has dropped to 45%.. This will pick up when new recruits are in post.

17. National PI Speed of processing - National Figures at Dec 2019 - 60% within 13 Weeks (Place 352) – 75% of non-major applications in time (8weeks) (Place 338) - Restructure ways of working to ensure that 80% of applications are determined within the 8 & 13 week National PI – Outstanding - Below the PI of 80% but acknowledgment that the team are climbing the national performance table. National figure of 66% of major Applications within 13 weeks (Place 343). National figure of 76% of non-major applications with 8 weeks (Place 331).

18. National PI Number of Appeals overturned (no more than 10% for either category) Concluded - Regular review of cases to ensure that this PI is maintained. Majors 0% of applications appealed overturned. Non major 1.5% of application appealed overturned.

19 Local PI Number of enforcement cases opened and closed - Outstanding - Instil ways of working and training to ensure at least cases that are opened match cases closed - For 2020 239 cases opened ,174 closed. These needs to closer aligned.

20 Local PI supported with external resource. External Peer - Review Outstanding - Liaising with Planning Advisory Service about undertaking a peer review and this may start with a review of the form and function of Planning Committee.

21 Local PI Tour of completed sites - To initiate an annual tour of completed sites to inform staff/members of key issues – Outstanding - No progress due to C19 and other pressures.

22. Local PI Support for applications - To restructure ways of working to negotiate on submissions to result in more than a 90% approval rate across all application types - Achieved - For the year end we granted 89.4% of applications received. This is being embedded as a standard item on the Service Improvement Group.

23 Scope a reporting PI - Scope to capture where officer have added value to the proposal or scheme - Outstanding - Discussion are continuing with external consultant to engage with our back-office systems to deliver necessary reporting.

24 **Local issue - Major Applications Lead (Principal Planner) -**
Outstanding - Placed on hold pending arrival of new recruits and a review of the necessity of this role.

25 **Local issue Delegated sign off -** Outstanding. - Placed on hold pending arrival of new recruits and a review of the necessity of this role.

26 **Local PI Reduce number of Extension of Time request as a % of all Major and Non-Major Applications -** currently running at 31% - Under 10% of applications relying on Extensions of Time - Outstanding - Year end 31% of decisions made were with the support of an Extension of Time.

27. **Local Issue Design Advice -** To establish and embed an Architects Advisory Panel to be a critical friend on design related matters – Outstanding - This needs to be formalised with a calendar of meetings for the calendar year.

5. **Financial appraisal**

5.1 All the recommended actions here save for additional posts can be scoped, undertaken, and implemented from within the existing establishment and there should not be significant financial exposure.

6. **Legal implications**

6.1 There are no legal risks to these initiatives/suggestions.

7. **Appendices**

7.1 None

8. **Background Papers**

8.1 There are no background papers connected to this report.

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Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title:	Tourism in the District Update (work of Visit Lewes)
Report of:	Helen Browning-Smith, Tourism and Arts Manager
Ward(s):	All
Purpose of report:	To update the Committee on Tourism in Lewes District and the work of Visit Lewes
Officer recommendation(s):	(1) The Committee is asked to note the report.
Reasons for recommendations:	The report is for information.
Contact Officer(s):	Name: Helen Browning-Smith Post title: Tourism and Arts Manager E-mail: helen.browning-smith@lewes-eastbourne.gov.uk Telephone number: 01273 085022

1 Introduction

- 1.1 This report provides an update the Policy and Performance Advisory Committee on Tourism in the District and in particular the work undertaken by Visit Lewes.
- 1.2 Visit Lewes is focussing on providing information to local people and supporting local businesses for the time being. When the first lockdown was announced in March, we immediately started work to create a directory of food and drink businesses offering take away and delivery during lockdown. During the spring this generated over 8k page views, and since being updated for the current lockdown, another 1k. This information was then utilised by the Regeneration Team to help develop the Eat Local website.
- 1.3 Via our social media channels, we're encouraging people to continue shopping local, online if need be. We've asked local shops (both bricks and mortar and online) to contact us if they would like a listing added to Visit Lewes. All listings contain links to their websites or Facebook pages where relevant.
- 1.4 Our membership scheme (whereby local businesses pay an annual subscription for an enhanced listing on the site) has somewhat stalled due to the economic uncertainty, but we'll renew focus on this when the time is right, hopefully recruiting a Tourism Officer who can work to show local businesses how Visit Lewes can support them and increase revenue from the site to make it cost neutral and therefore sustainable.

1.5 Looking forward, we anticipate a focus on promoting the area to local visitors for day trips, and visits to family and friends once travel and some level of mixing are deemed safe. We expect an increase in domestic tourism as city residents look to rural and seaside areas for their annual leave instead of jetting away, and our plan is to utilise this market through strategic marketing activity and working alongside partners such as Govia Thameslink Railway and Tourism South East.

1.6 Appendix 1 to this report is the text of an email from Sally Staples (Cultural Strategy Manager, East Sussex County Council) detailing progress of the Sussex Resilience Forum's recovery group for Visitor Economy.

2 Newhaven

2.1 The new Railway Quay development, due to open Easter 2021, will strengthen Newhaven's visitor offer significantly. We are working with the Regeneration team on potential Visit Lewes involvement in the new Railway Quay visitor information centre, and new signage in the town, offering our support where we can.

3 Sussex Gin & Fizz Festival

3.1 The festival usually brings up to 1000 visitors from across Sussex and beyond, and we are fully committed to delivering an event this summer. If some restrictions are still in place, as seems likely, the format will be changed to a more formal seated tasting event, with all food and drink produced locally as usual, informative talks, shopping opportunities and (hopefully) live entertainment.

3.2 In the meantime, we are using the G&F website to promote local drinks producers with recipes and information about deliveries and special offers

4 Artwave

4.1 Moving the event to September in light of COVID worked well last year, and the festival was an overall success, with high sales despite the pandemic. The 2021 festival will take place in September, and we know from 2020's experience that it can be delivered Covid-securely if need be.

4.2 This year's festival will culminate in the Tide Mills project celebration week, which will be a multimedia performance and arts event by LYT Productions, involving local creatives, schools and community groups.

5 Heritage Open Days 2021

5.1 We've been asked to take on Heritage Open Days for 2021, and estimate we would need approx. £5k budget to deliver it. As it's in September, there would be the opportunity to incorporate elements with Artwave, and we would like to extend it across the District with events in Newhaven, Seaford, and Ditchling.

6 Outdoor Advertising

- 6.1 Visit Lewes is currently working with East Sussex County Council (ESCC) Highways department to licence a select number of outside advertising locations. These sites can be used to advertise our own events to a wider audience throughout the district whilst also being available for commercial bookings that will generate an income. This is another example of an initiative to make Lewes Tourism sustainable and self-sufficient.

7 Financial appraisal

- 7.1 The report is for noting only and there are no direct financial implications.

8 Legal implications

- 8.1 The report is for noting only and there are no direct legal implications.

9 Risk management implications

- 9.1 The report is for noting only and there are no direct risk management implications

10 Equality analysis

- 10.1 The report is for noting only and there are no direct implications on equality analysis.

11 Environmental sustainability implications

- 11.1 The report is for noting only and there are no direct implications for environmental sustainability.

12 Appendices

Appendix 1 – information via email from East Sussex County Council Cultural Strategy Manager.

13 Background papers

None

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Email from Sussex Resilience Forum's (SRF) Executive Recovery Steering Group (ERSG)

Colleagues

I am keen to ensure that you are kept up to date with the work of this group. The following is largely taken from the Request for Tender which Brighton and Hove are about to issue on behalf of the group.

- In October 2020, the Sussex Resilience Forum's (SRF) Executive Recovery Steering Group (ERSG) agreed to establish a Sussex-wide recovery group for tourism, spearheaded by Brighton and Hove City Council (BHCC), East Sussex County Council (ESCC) and West Sussex County Council (WSCC), recognising that the visitor economy needs to be prioritised given its economic importance to the region. Nigel Lynn, Chief Executive of Worthing and Adur Council has been asked by the SRF to Chair this group.
- Tourism is a key economic driver in Sussex, which has been profoundly impacted by COVID, with VisitBritain estimating that the tourism sector will lose £37bn from its impact with a £15bn drop in income from overseas visitors and £22bn lost from domestic tourism. The tourism sector and the visitor economy has been prioritised by all three local authorities in their recovery plans whilst the two Local Enterprise Partnerships, Coast 2 Capital (C2C) and the South East Local Enterprise Partnership (SELEP) recognise the importance of the sector in their plans and strategies.
- BHCC, ESCC and WSCC are looking to commission an external agency with appropriate knowledge and experience to produce an evidence base to inform a medium-term action plan and long-term vision for the Sussex visitor economy. This is the first time that the three local authorities have come together to commission shared research and support the Sussex visitor economy through a pan-Sussex approach.
- We are seeking to set out a shared, ambitious vision for Sussex's visitor economy, realising that this ambition will require a strong partnership between the public and private sector to deliver a strategy that will be dynamic in nature and flexible enough to capitalise on the opportunities and counter the potential issues of a post COVID environment, whilst capitalising on the Pan-Sussex offer.
- Tender documents will be issued on 11 January 2021, with contract commencing on 22 February 2021.
- ESCC has committed £25k in total across the 2020/21 and 2021/22 to support this procurement.

The Group is not planning to develop a new brand or at this stage initiate new marketing activity. Instead our focus is on bringing together the combined pan-Sussex offer in order to gain a more influential voice nationally with a view to this attracting additional resources in the future. It appears (although not seen this confirmed in writing but heard from several sources) that Visit England are planning

Appendix 1

a review of DMOs. This will probably come before the announcement of Tourism Zone opportunities. This work will ensure that the Group is ready to influence and respond to the outcome of that review and any opportunities that arise following it. There may be more information following the VE briefing.

Report to: Policy and Performance Advisory Committee

Date: 15 January 2021

Title: Wave Leisure Partnership Support update

Report of: Phil Evans, Director of Tourism and Enterprise

Cabinet members: Cllr Ruth O Keeffe, Cabinet member for Tourism and Devolution

Ward(s): All

Purpose of report: To provide an update on the impact of Covid-9 on Wave Leisure Trust and the Trust's plans during the Tier 5 lockdown.

Officer recommendation(s): (1) The Committee is asked to note the report.

Contact Officer(s): Name: Phil Evans
Post title: Director of Tourism and Enterprise
E-mail: philip.evans@lewes-eastbourne.gov.uk
Telephone number: 01232 518400

1 Introduction

1.1 Following the phased re-opening of Wave Leisure Trust (WLT) sites that began on 25 July 2020 after the first lockdown period a number of leisure facilities were able to open across the District. Some however had to remain closed because they were either too small or unviable financially with reduced patron numbers caused by the on-going restrictions. Strict health and safety measures including social distancing had had to be implemented and maintained throughout but customer numbers had started to build in the larger centres.

As the second build-up of the virus expanded outward from Kent and areas of East Sussex started to see increases in new CV-19 cases it was likely that further restrictions would be re-imposed in the late autumn. Initially Lewes District was put in Tier 2 and there was a limited lockdown from 5th November but this was increased to Tier 4 and on 23rd December Wave Leisure was again forced to close down facilities and to re-furlough staff across the District. Tier 5 restrictions followed.

1.2 Between 20 March 2020 and 25 July 2020, 95% of WLT staff had been furloughed and WLT had to approach the Council to ask if it might provide financial support to assist with its re-mobilisation for Lewes District. For various reasons including restrictions on eligibility criteria for access to funding, the size

of the organisation and its status as a Trust, Wave Leisure Trust had been unable to source external funding from Government or Government agencies.

- 1.3 At the Cabinet meeting on 23rd September, It was requested that Wave Leisure Trust (WLT) be offered a loan of up to £500K to support it through the immediate period and to offset its losses in income throughout 2020. The exact terms were to be determined between the identified officers and portfolio holders listed in the Report.

PPAC also requested that an update would be provided on the future activities of WLT as it started to implement its remobilisation programme.

The move into Tier 5 restrictions has unfortunately delayed progress in this regard and a further update report, once the future lockdown conditions are eased and as soon as real progress in implementing post-Covid operations can continue is proposed.

2 National Leisure Recovery Fund and operational changes

- 2.1 Prior to the closure leisure centres on 23rd December, a new recovery fund was announced that could help see leisure trusts and other providers cover a substantial part of their costs and lost income during the closure period.

The deadline for bids was originally set as 8th January but this was subsequently extended to 15th January. WLT submitted their bid on 14th January. Technically this had to be applied for by the local authority but WLT provided all the data and were very efficient in compiling all the necessary information so that it could be submitted successfully. At this time we await the decision of Sport England on how much can be recovered.

In the meantime Wave have been adapting their operational model to make it more efficient and to cater for changes in the way that users will want to make use of their facilities in a post-Covid environment.

There will be a focus on providing gym, swim and group exercise classes and these will all be 'bookable' activities i.e. customers would not be able to turn up and access them without booking. Various physical changes to facilities like gyms have also been made with more spacing and better customer flows.

3 Financial re-structuring and future plans

- 3.1 Last year WLT has produced a 3-year financial model which showed it moving from a £1.5m loss in 2020/21 to a £130k surplus by 2022/23 financial year end. Whilst this plan might have to be re-adapted to consider the new restrictions imposed in 2020/21 the basic principles outlined by the Restart; Rebuild; Recover model will remain the same. Wave has also produced a ten-year strategic plan to support the long-term development of the trust.

- 3.2 It is envisaged that the current lockdown situation will encourage a pent-up demand for leisure services once everything can safely open again. Many

potential markets, previously under-represented, might take up sport and exercise in a more controlled environment and with professional guidance. Wave is currently engaged in creating a studio that can be used to help people exercise at home in a digital access format and with personal guidance on exercise. Overall there is more emphasis on supporting hard to reach groups, including GP referrals, some of which are now related to CV-19 recovery.

With the roll out of the vaccination programme more people will feel confident about improving their health in a social environment, knowing that high standards of cleanliness and hygiene are adhered to.

Throughout the closure period, Wave has continued to provide exercise and training programmes through social media platforms such as Facebook and various exercise options are available using such methods.

At this time it is not known how long the Tier 5 restrictions will be in place or how the re-opening of leisure facilities will be implemented. Once we have further information there will be a possibility to provide a more detailed report and with further performance monitoring regarding the provision of leisure provided by WLT across the District.

4 Financial appraisal

The report is for noting only and there are no direct financial implications.

5 Legal implications

The report is for noting only and there are no direct legal implications.

6 Risk management implications

The report is for noting only and there are no direct risk management implications

7 Equality analysis

The report is for noting only and there are no direct implications on equality analysis.

8 Environmental sustainability implications

The report is for noting only and there are no direct implications for environmental sustainability.

9 Appendices

None

10 Background papers

None

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Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Recovery and Reset Programme
Exemption:	None
Report of:	Robert Cottrill, Chief Executive
Ward(s):	All
Purpose of Cabinet report:	To update on progress of the Recovery and Reset Programme.
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a standing item on each of the Committee's agendas, allowing the Committee to request the inclusion of reports due for consideration by the Cabinet on its

agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix A – Cabinet Report – **Recovery and Reset Programme**

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.

Lawyer consulted 06.01.21

Legal ref: 009830-LDC-OD

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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Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	General Fund Revenue Budget 2021/22 and Capital Programme
Exemption:	None
Report of:	Homira Javadi, Chief Finance Officer
Ward(s):	All
Purpose of Cabinet report:	To agree the updated General Fund budget and updated MTFS, together with the updated Capital Programme position.
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

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request the inclusion of reports due for consideration by the Cabinet on its agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

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2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix 1 – Cabinet Report – **General Fund Revenue Budget 2021/22 and Capital Programme**

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):	<p>Members are asked to recommend the following proposals to Full Council:</p> <ul style="list-style-type: none"> 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.
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.
- 1.2 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.
- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 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 Covid 19 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

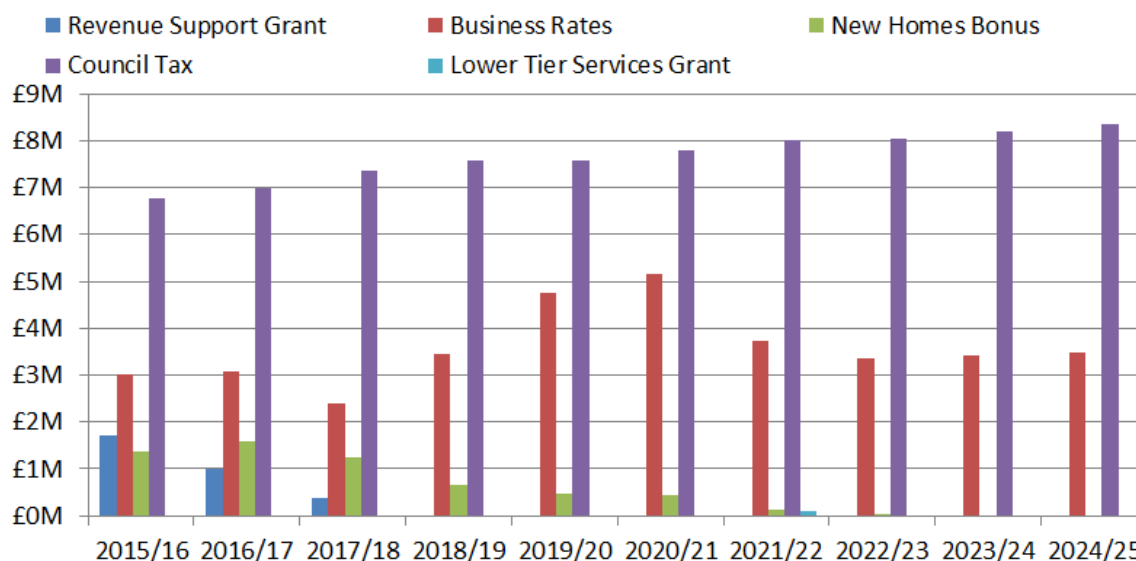
This has not been included in the funding at this stage until further work can be undertaken to establish how to fairly allocate Lewes's share.

- 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 %
<i>Band D</i>				
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

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.

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.

- 7.4 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.
- 7.5 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.
- 7.6 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.
- 7.7 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.

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

- 8.2
- 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 Capital Programme

- 10.1 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.
- 10.2 Capital expenditure within the Council is split into two main components, the General Fund Capital Programme and the Housing Revenue Account (HRA) Capital Programme.
- 10.3 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.

- 10.4 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 £93.7m (HRA of £46.3m and GF of £47.4m) 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 £53.8m (HRA of £26.2m and GF of £27.6m) 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.

- 10.5 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.
- 10.6 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.
- 10.7 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.
- 10.8 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.
- 10.9 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.
- 10.10 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.

- 10.11 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.

11 Financial Appraisal

- 11.1 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.

12 Legal implications

- 12.1 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.
- 12.2 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.
- 12.3 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 Risk Management implications.

- 13.1 Appendix 4 provides an analysis of risks associated with the MTFS and mitigating actions.

14 Equality analysis

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

15 Conclusion

- 15.1 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.

16 Appendices

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

17 Background papers

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

Provisional Local Government Finance Settlement 2021/22

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 now increase in 2021/22, in line with the Spending Review proposal for public sector pay to be paused, but a 2.5% increase for each year thereafter.

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 ongoing base budget.

The MTFS assumes the flexible use of capital receipts will continue in 2021/22, in order to fund or part fund delivery of the Recovery and Reset Programme. This will be on the basis that qualifying expenditure on a project will deliver ongoing revenue savings. 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 MTFs 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.

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OUTLINE CAPITAL PROGRAMME 2020/21 to 2023/24

	Original Programme 2020/21 £	Projected 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	8,910,000	16,800,000	9,740,000	4,400,000
Improvements to Stock (Stock Condition Survey)	4,448,000	4,448,000	4,554,000	4,662,000	4,700,000
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	479,518	-	-	-
Total HRA Capital Programme	15,467,000	14,302,518	21,819,000	14,867,000	9,565,000
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)	-	105,332	-	-	-
Recovery & Reset	-	250,000	-	-	-
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	219,924	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	113,963	1,095,000	300,000	400,000
Parks and Pavilions	50,000	373,441	150,000	150,000	200,000
Community Infrastructure	-	556,141	889,578	900,000	900,000
Finance Transformation	50,000	131,158	50,000	-	-
Total General Fund Capital Programme	29,108,000	7,854,539	26,530,578	11,129,000	9,778,000
Total Capital Programme	44,575,000	22,157,057	48,349,578	25,996,000	19,343,000

Funding Availability	Original Programme 2020/21 £	Projected Programme 2020/21 £	Proposed Programme 2021/22 £	Proposed Programme 2022/23 £	Proposed Programme 2023/24 £
HRA					
Capital Receipts	3,902,000	3,618,000	2,540,250	1,481,250	680,250
Major Repairs Reserve	11,565,000	5,392,518	5,019,000	5,127,000	5,165,000
Revenue Contributions	-	-	-	-	-
Borrowing Need	-	5,292,000	14,259,750	8,258,750	3,719,750
Total HRA	15,467,000	14,302,518	21,819,000	14,867,000	9,565,000
General Fund					
Capital Receipts	135,000	123,887	835,000	1,935,000	2,935,000
Grants & Contributions	1,001,000	1,648,491	7,946,578	3,137,000	2,136,000
Earmarked Reserves	777,000	2,485,378	852,000	27,000	27,000
Revenue Contributions	136,000	-	-	-	-
Borrowing Need	27,059,000	3,596,783	16,897,000	6,030,000	4,680,000
Total GF	29,108,000	7,854,539	26,530,578	11,129,000	9,778,000
Total Funding	44,575,000	22,157,057	48,349,578	25,996,000	19,343,000

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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.

Appendix 4

RISKS	LIKELIHOOD H (HIGH), M (MEDIUM), L (LOW)	IMPACT H (HIGH), M (MEDIUM), L (LOW)	MITIGATING ACTIONS
Uncertain medium term sustainability of incentivised income areas subject to the on-going impact of Covid-19, Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.	H	H	Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.
Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.	H	H	Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.
Budget pressures from demand led services and income variances reflecting the wider economy.	M	M	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	H	M	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	L	L	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
The Council has entered into a number of strategic partnerships and contracts and is therefore susceptible to price changes.	M	H	Effective negotiation, sound governance arrangements and regular reviews of performance and partnership risks.

Appendix 4

RISKS	LIKELIHOOD H (HIGH), M (MEDIUM), L (LOW)	IMPACT H (HIGH), M (MEDIUM), L (LOW)	MITIGATING ACTIONS
There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.	L	H	Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation, and review any external auditor comments.
Loss of key skills, resources and expertise.	M	M	Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.
Changes of responsibility from Government can adversely impact on service priorities and objectives.	L	L	Sound system of service and financial planning in place. Lobby as appropriate.
Loss of reputation if unforeseen resource constraints result in unplanned service reductions.	L	H	Have in place strong governance and risk management discipline followed by identification and implementation of robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.

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Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy
Exemption:	None
Report of:	Homira Javadi, Chief Finance Officer
Ward(s):	All
Purpose of Cabinet 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.
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a

standing item on each of the Committee's agendas, allowing the Committee to request the inclusion of reports due for consideration by the Cabinet on its agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix A – Cabinet Report – **Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy**

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:

- 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 2020/21.

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 £93.1m, £123.9m, £137.4m, & £144.9m 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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**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.

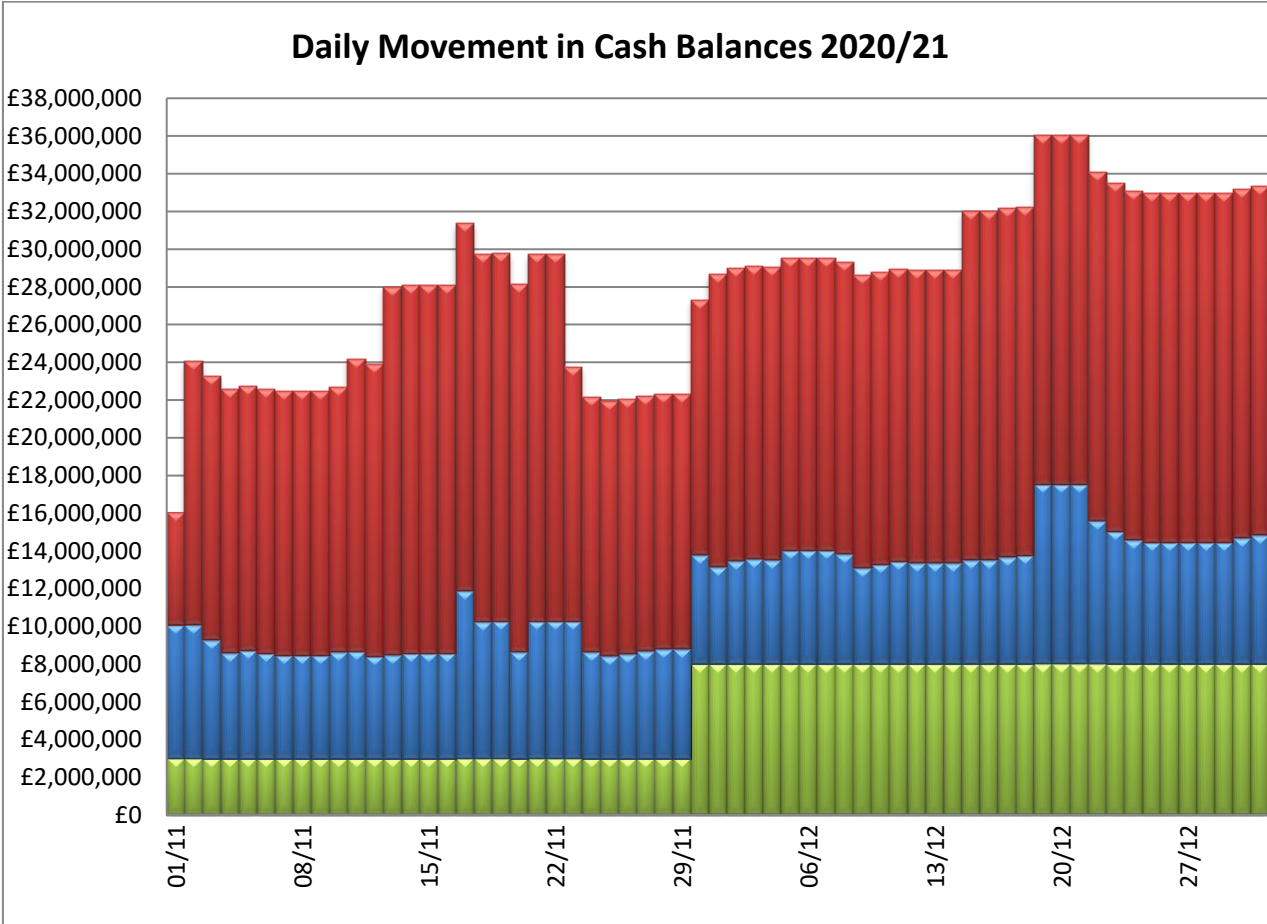
The Prudential Framework (including statutory guidance and the Prudential Code itself) allows local authorities the flexibility to take their own decisions; provided that the decisions taken are

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 £93.7m (*HRA of £46.3m and GF of £47.4m*) of capital investment over the next three years with £39.8m met from existing or new resources. The amount of new borrowing required over this period is therefore £53.8m (*HRA of £26.2m and GF of £27.6m*) 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	10.6	9.1	8.5
HRA	14.3	21.8	14.9	9.6
Commercial Activities/ Non-financial investments	3.1	15.9	2.0	1.3
Total	22.2	48.3	26.0	19.4
Financed by:				
HRA Resources	9.0	7.6	6.6	5.8
Capital Reserves	2.5	0.9	-	-
Capital Grants	1.8	7.9	3.1	2.1
Capital Receipts	-	0.8	1.9	2.9
Revenue Contributions	-	-	-	-
Borrowing Need	8.9	31.1	14.4	8.6

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	5.8	29.5	29.1	28.6
CFR - housing	72.6	72.6	86.9	95.2
Commercial Activities/non-financial investments	14.7	21.7	21.4	21.1
Total CFR	93.1	123.9	137.4	144.9
Movement in CFR	-	30.8	13.5	7.5
Movement in CFR represented by-				
Net financing needed for the year (above)	-	30.7	13.9	7.6
Less: MRP	-	0.1	(0.4)	(0.1)
Movement in CFR	-	30.8	13.5	7.5

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 £0.45m 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	61.7	61.7	76.7
Borrowing at 1 April	56.7	66.7	96.7	116.7
GF new borrowing	5.0	30.0	5.0	-
HRA new borrowing	5.0	-	15.0	10.0
less loan maturities	-	-	-	-
Net Borrowing Total	10.0	30.0	20.0	10.0
Borrowing at 31 March	66.7	96.7	116.7	126.7
CFR at 1 April	84.6	93.1	123.9	137.4
Net Capital Expenditure	8.9	31.2	14.3	8.4
MRP	(0.5)	(0.4)	(0.8)	(0.9)

Table 3	2020/21	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
CFR at 31 March	93.1	123.9	137.4	144.9
Under borrowing	26.4	27.2	20.7	18.2

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 £26.4m, £27.2m by 2021/22 and then reducing to £18.2m 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)	£22.2m	£48.3m	£26.0m	£19.3m
Capital Financing Requirement Measures the underlying need to borrow for capital purposes (including Leases)	£93.1m	£123.9m	£137.4m	£144.9m
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%	5.184	9.68%	10.45%

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	91.8	117.8	133.1	141.7
Other long-term liabilities	0.6	0.6	0.6	0.6
Commercial activities/non-financial investments	21.6	29.4	29.1	28.7
Total	113.9	147.8	162.7	170.9
<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. <i>Note – excludes allowances for IFRS 16 – Leasing change from 2021/22.</i></p>				
Operational boundary for external debt	£m	£m	£m	£m
Borrowing	83.4	107.1	121.0	128.8
Other long-term liabilities	0.5	0.5	0.5	0.5
Commercial activities/non-financial investments	19.7	26.7	26.4	26.1
Total	103.6	134.4	147.9	155.4
<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.

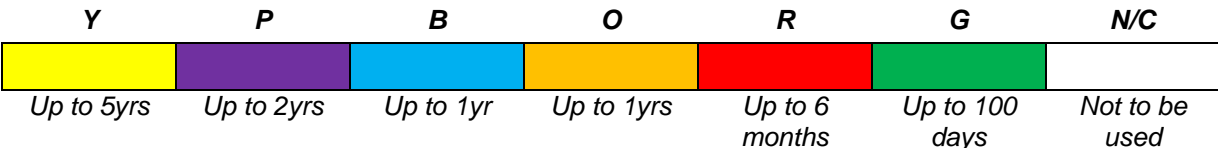
This modelling approach combines credit ratings with the following overlays:

- 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

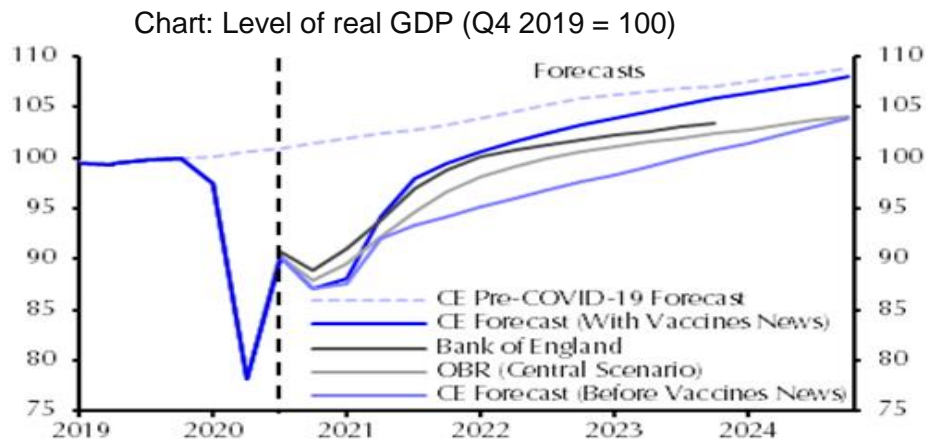
The Link Treasury Services Limited Economic & Interest Rate Forecast and underlying assumptions are:

- **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.

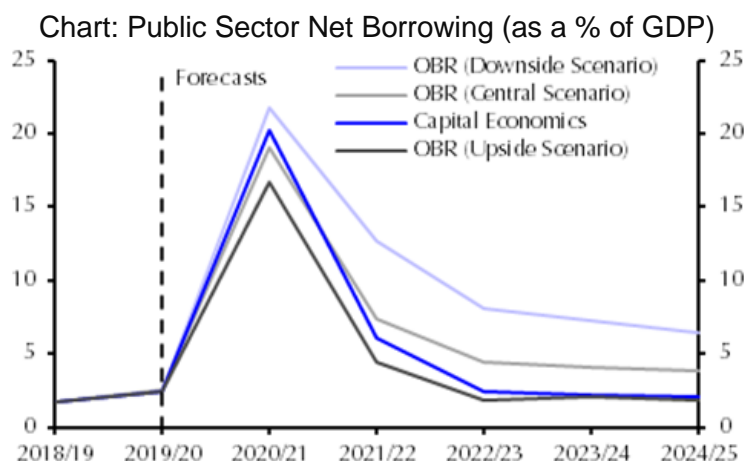
It has therefore been particularly welcome that the Oxford University/AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate of 2m people per week starting in January, 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.



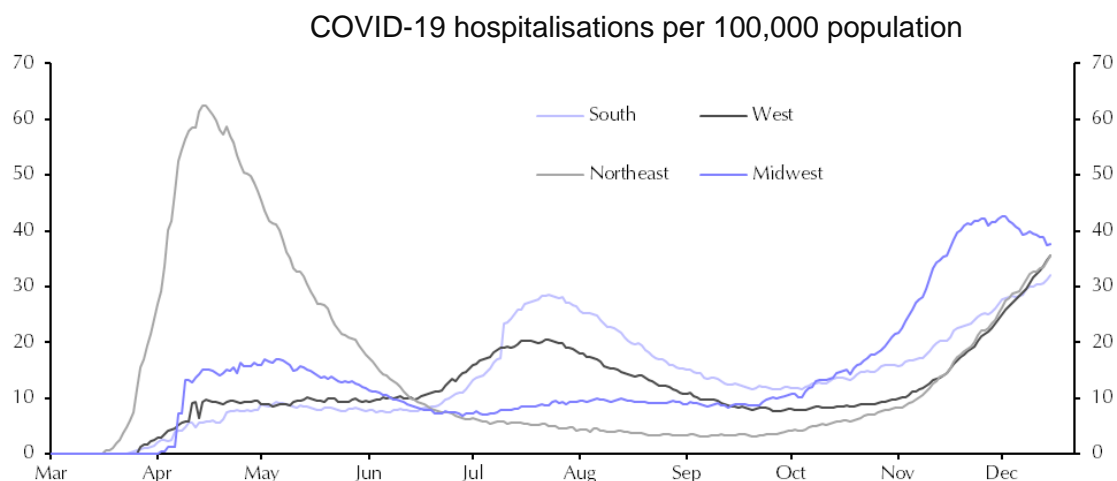
This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's 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 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 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, LDC is planning capital expenditure of £25.3 million (and £85.9 million over the next two 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	10.6	9.1	8.5
HRA	14.3	21.8	14.9	9.6
Commercial Activities/ non-financial investments	3.1	15.9	2.0	1.3
TOTAL	22.2	48.3	26.0	19.3

- 2.1.4 The main General Fund capital projects scheduled for 2021/22+ are as follows:
- Avis Way Depot, Newhaven.
- 2.1.5 The main Commercial Activity/ non-financial investments capital projects scheduled for 2021/22+ are as follows:
- Newhaven Assets Development;
 - North Street Quarter, Lewes;
 - Loans to Trading Companies.
- 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

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
	£m	£m	£m	£m
External sources	1.8	7.9	3.1	2.1
Own resources	11.5	9.2	8.6	8.8
Debt	8.9	31.2	14.3	8.4
TOTAL	22.2	48.4	26.0	19.3

- 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	0.8	0.9

- 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 £23.5 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	5.8	29.5	29.1	28.6
HRA	72.6	72.6	86.9	95.2
Commercial Activities/ non- financial investments	14.7	21.7	21.4	21.1
TOTAL CFR	93.1	123.9	137.4	144.9

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)	66.7	96.7	116.7	126.7
Capital Financing Requirement	93.1	123.9	137.4	144.9

- 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	113.9	147.8	162.7	170.9
Operational boundary – total external debt	103.6	134.4	147.9	155.4

- 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.

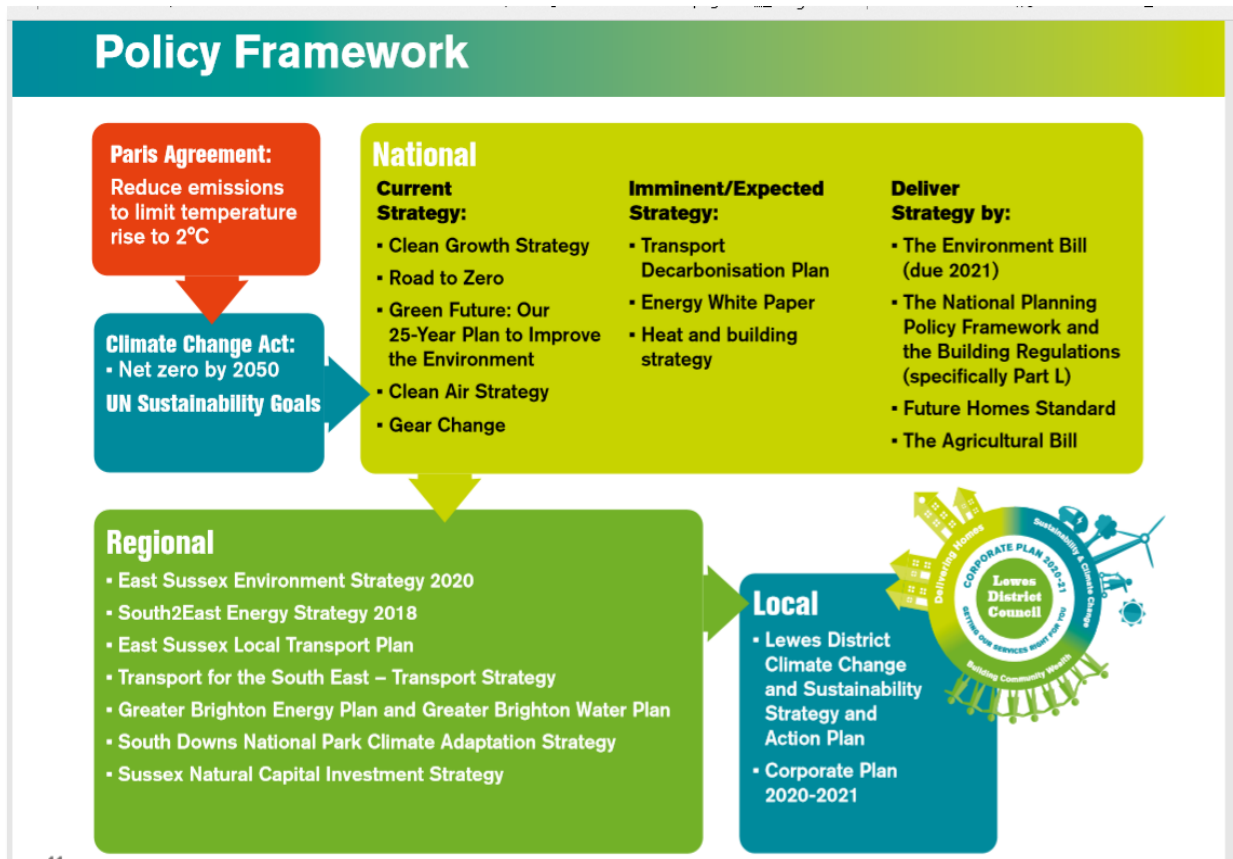
4.4.2 The Council's Investment Strategy is to prioritise security and liquidity over yield and social/ethical impact, focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely in selected high-quality banks, to minimise the risk 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 2019 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	1.2	1.4
Proportion of Net Revenue Stream	2.2%	5.8%	9.7%	10.5%

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	1.9	1.9	2.1	2.3
Proportion of Net Revenue Stream	11.3%	11.7%	13.1%	14.0%

- 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 8 and 9 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
 - *Prudential Indicator 8 (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term.
 - *Prudential Indicator 9 (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost effective manner.

Affordability

- The estimated ‘revenue consequences’ of the Capital Programme (£87.9 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 advisers 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 advisers (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:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Annual Review of Fees and Charges
Exemption:	None
Report of:	Homira Javadi, Chief Finance Officer
Ward(s):	All
Purpose of Cabinet report:	To propose the schedule of Fees and Charges to apply from 1 April 2021.
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a standing item on each of the Committee's agendas, allowing the Committee to request the inclusion of reports due for consideration by the Cabinet on its

agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix A – Cabinet Report – **Annual Review of Fees and Charges**

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):	<p>(1) To approve the scale of Fees and Charges proposed within Appendix 1 to apply from 1 April 2021.</p> <p>(2) To implement changes to statutory fees and charges for services shown within Appendix 1 as and when notified by Government.</p>
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):	<p>Name: Andrew Clarke Post title: Deputy Chief Finance Officer E-mail: Andrew.clarke@lewes-eastbourne.gov.uk Telephone number: 01323 415691</p>

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.

3.1	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.
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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:

Financial impact of:

	2020/21 income estimate £	change in usage £	change in fees £	2021/22 income forecast £
Car Parking	1,002,000	0	0	1,002,000
Electric Vehicle Charges	4,000	0	0	4,000
Lewes House	10,000	0	0	10,000
Arts Development	28,000	0	0	28,000
Tourism	18,000	0	0	18,000
Private Sector Housing	1,000	4,000	0	5,000
Mobile Homes	1,000	0	0	1,000
Building Control	281,500	0	0	281,500
Planning Services	30,000	0	0	30,000
Street Naming and Numbering	12,500	0	0	12,500
Allotments	1,000	0	50	1,050
Cemeteries	141,000	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
6.2 Total income estimates	2,838,300	156,300	5,900	3,000,500

6.3 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.

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

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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
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

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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
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	per year per plot (253 square metres)	70.00	73.00	e	3.00
326	Total Estimated Income (Allotments)	1,000	1,050		50.00
327					
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	VAT	£pence
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					
367	- Cricket				
368	grass day rate	70.00	75.00	s	5.00
369	grass evening rate	31.00	32.00	s	1.00
370	grass juniors rate	36.00	38.00	s	2.00
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

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				
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				
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:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Portfolio progress and performance report 2020/21- quarter 3
Exemption:	None
Report of:	Ian Fitzpatrick, Deputy Chief Executive/ Director of Regeneration and Planning
Ward(s):	All
Purpose of Cabinet 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.
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a

standing item on each of the Committee's agendas, allowing the Committee to request the inclusion of reports due for consideration by the Cabinet on its agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix A – Cabinet Report – **Portfolio progress and performance report 2020/21- quarter 3**

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. 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. 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. 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. 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:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Eastbourne & Lewes Community Safety Partnership – Annual Report (Lewes)
Exemption:	None
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning
Ward(s):	All
Purpose of Cabinet report:	To enable Cabinet to consider the 2020/21 performance of the Eastbourne & Lewes Community Safety Partnership (E&LCSP).
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a

standing item on each of the Committee's agendas, allowing the Committee to request the inclusion of reports due for consideration by the Cabinet on its agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Specific scrutiny role of Policy & Performance Advisory Committee in relation to Community Safety Partnerships

2.1 Provisions in sections 19 and 20 of the Police and Justice Act 2006 – as amended by section 126 of the Local Government and Public Involvement in Health Act 2007 - enable Scrutiny Committees to bring their unique perspective to bear on how Community Safety Partnerships are tackling crime and disorder.

2.2 Guidance produced by the Home Office on the scrutiny of CSPs makes it clear that it is the role of scrutiny committees to “enhance existing partnership arrangements by developing a clear structure for overseeing and reviewing the delivery of joint responses on community safety and by creating a clearer link between partner agencies and the public on community safety.”.

2.3 The guidance goes on to say that “the role of scrutiny should be focused on the partnership as a whole, if issues arise which relate specifically to a particular partner organisation, it may be appropriate to refer such issues to the governing bodies of that organisation for action.” For example, if concerns relate purely to Police activity, these should be referred to the Police and Crime Commissioner.

3 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

3.1 All implications are addressed in the Cabinet report attached at Appendix 1.

4 Appendices

Appendix A – Cabinet Report – **Eastbourne & Lewes Community Safety Partnership – Annual Report (Lewes)**

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.

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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

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Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Voluntary Sector Support Policy Review
Exemption:	None
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning
Ward(s):	All
Purpose of Cabinet 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
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a

standing item on each of the Committee's agendas, allowing the Committee to request the inclusion of reports due for consideration by the Cabinet on its agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix 1 – Cabinet Report – **Voluntary Sector Support Policy Review**

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**
Post title: Strategy & Corporate Projects Officer, Thriving Communities
E-mail: Seanne.Sweeney@lewes-eastbourne.gov
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.

Report to:	Policy and Performance Advisory Committee
Date:	25 January 2021
Title	Planning Technical Advice Notes
Exemption:	None
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning
Ward(s):	All
Purpose of Cabinet report:	To seek Cabinet approval for the publication and use of three Planning Technical Advice Notes that address sustainability issues.
Officer recommendation(s):	Members of the Policy and Performance Advisory Committee are asked to consider the recommendations in the main report attached at Appendix 1 and to make one of the following recommendations: (1) To support the recommendations in the report in full; OR (2) To support the recommendation in the report subject to the consideration of amendments agreed during discussion OR; (3) To not support the recommendations in the report, and provide reasons for this.
Reasons for recommendations:	To provide a critical friend challenge to the Cabinet decision and policy making process.
Contact Officer(s):	Name: Nick Peeters Post title: Committee Officer E-mail: nick.peeters@lewes-eastbourne.gov.uk Telephone number: 01323 415272

1 Introduction

- 1.1 In its role as a provider of public scrutiny and as critical friend, the Policy and Performance Advisory Committee has a duty to provide a challenge to the executive decision and policy makers.
- 1.2 The Policy and Performance Advisory Committee is able to provide this challenge through the inclusion of the Council's Forward Plan of Decisions as a standing item on each of the Committee's agendas, allowing the Committee to

request the inclusion of reports due for consideration by the Cabinet on its agenda and by asking that the relevant officers, heads of service or directors, attend the Committee meetings and discuss the content of the reports.

1.3 Following consideration of each item, where the Members will be able to ask questions of the relevant officers, heads of service, directors and other stakeholders, the Policy and Performance Advisory Committee will provide one of the following three recommendations to the Cabinet:

- 1) To support the recommendations in the report in full; or
- 2) To support the recommendation in the report subject to the consideration by the Cabinet of any amendments agreed by Committee; or
- 3) To not support the recommendations in the report and give reasons.

1.4 The Cabinet will be provided with the recommendations from the Policy and Performance Advisory Committee when it considers the main report.

2 Financial / Legal / Risk Management / Equality Analysis/ Environmental Sustainability Implications/ Background Papers

2.1 All implications are addressed in the Cabinet report attached at Appendix 1.

3 Appendices

Appendix A – Cabinet Report – **Planning Technical Advice Notes**

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):

- (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:

- (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](#)

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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 submission of the checklist.</p>

Summary of Comment	Response
	However it is beneficial if all information is provided 'up front' where possible to reduce uncertainty and cost or delays of further applications.

Comments on Sustainability in Development TAN

Summary of Comment	Response
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.	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.
It needs to be made clear who is to complete the Checklist	The SiD TAN makes it clear that the applicant is expected to complete and submit the relevant checklist with their planning application for validation.
There is an overlap between this TAN and the CE TAN.	Parts of the CE TAN have been moved to the SiD TAN and these have been cross referenced where required.
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.	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.
For all Householder Applications and most other smaller developments, satisfying the requirements of these TANs is proportionately excessive, especially at the Planning Application stage.	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. A note has been added to confirm that submission of information should be proportionate to the scale of development being proposed.
The SiD TAN should be more explicit about how rainwater harvesting will be used to reduce potable water demand.	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 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	The TAN is to ensure that the applicant has considered these issues. LPP1 Policy CP14

Summary of Comment	Response
at planning stage how this would be achieved and such requirements could not be enforced.	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.
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?'

Summary of Comment	Response
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 ¹ 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 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.

¹ [East Sussex County Council: Planning Applications – transport implications](#)

Summary of Comment	Response
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 sustainable design, with emphasis on the scheme promoter explaining how CE concepts were put at the heart of the development.	<p>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 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</p>

Summary of Comment	Response
	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.</p>	<p>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.</p>
<p>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</p>	<p>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.</p>
<p>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,</p>	<p>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.</p>
<p>It may not be possible for the information required by the CE TAN to be provided at Outline stage</p>	<p>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 appropriate at Reserved Matters stage.</p>
<p>The Newhaven Local Employment and Training Technical Guidance Note should be extended to cover the rest of the District</p>	<p>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</p>
<p>The checklist requirements are similar to a traditional Waste Minimisation Plan, and could be integrated into the Sustainability in Development checklist.</p>	<p>The Circular Economy information requirements have been incorporated into the Sustainability in Development TAN checklist to reduce the number of checklists to be submitted</p>

Summary of Comment	Response
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
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	Reference made to link with the Sustainability in Development TAN, which provides a checklist

Summary of Comment	Response
application to enable the council to put in place the mechanisms required to effectively assess applications at validation stage.	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



Lewes District Council

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
	Provide a Tree Survey/Arboriculture statement	<input type="checkbox"/>		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.
	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	LPP2 Policies: DM24: Protection of Biodiversity and Geodiversity Other: Biodiversity Net Gain Technical Note
	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 Planning Practice Guidance: Renewable and low carbon energy LPP1 Policies CP8: Green Infrastructure
	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"/>		
	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
	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	
Location and Layout	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</p> <p>CP13: Sustainable Travel</p> <p>CP14: Renewable and Low Carbon Energy and Sustainable Use of Resources.</p> <p>LPP2 Policies:</p> <p>DM26: Refuse and Recycling</p> <p>Other:</p> <p>Circular Economy Technical Advice Note</p> <p>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				
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.

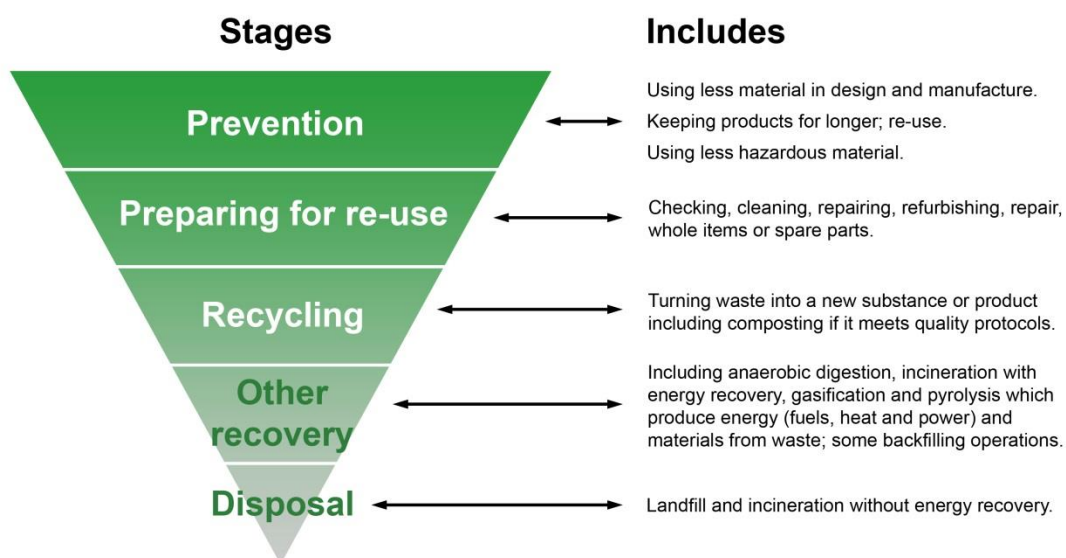
4. Expectations for New Development

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.

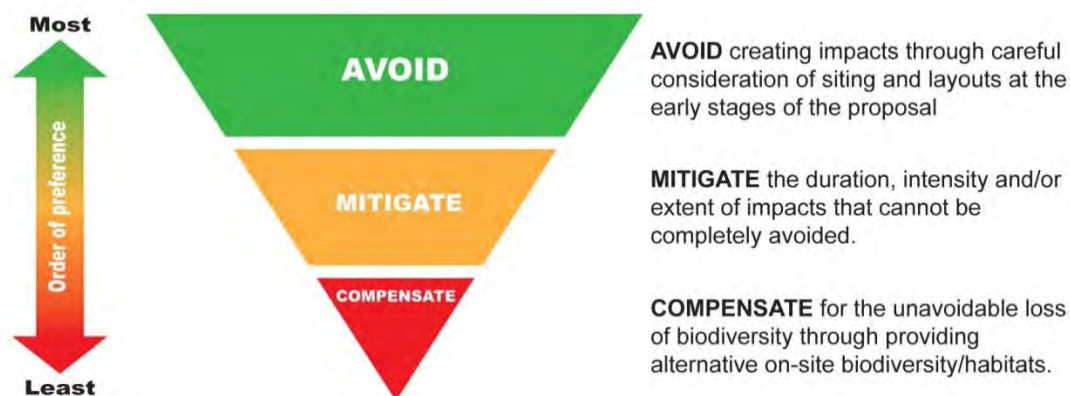
5.11 Other types of applications are encouraged to submit a statement outlining how they have considered biodiversity net gain in the proposal.

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.

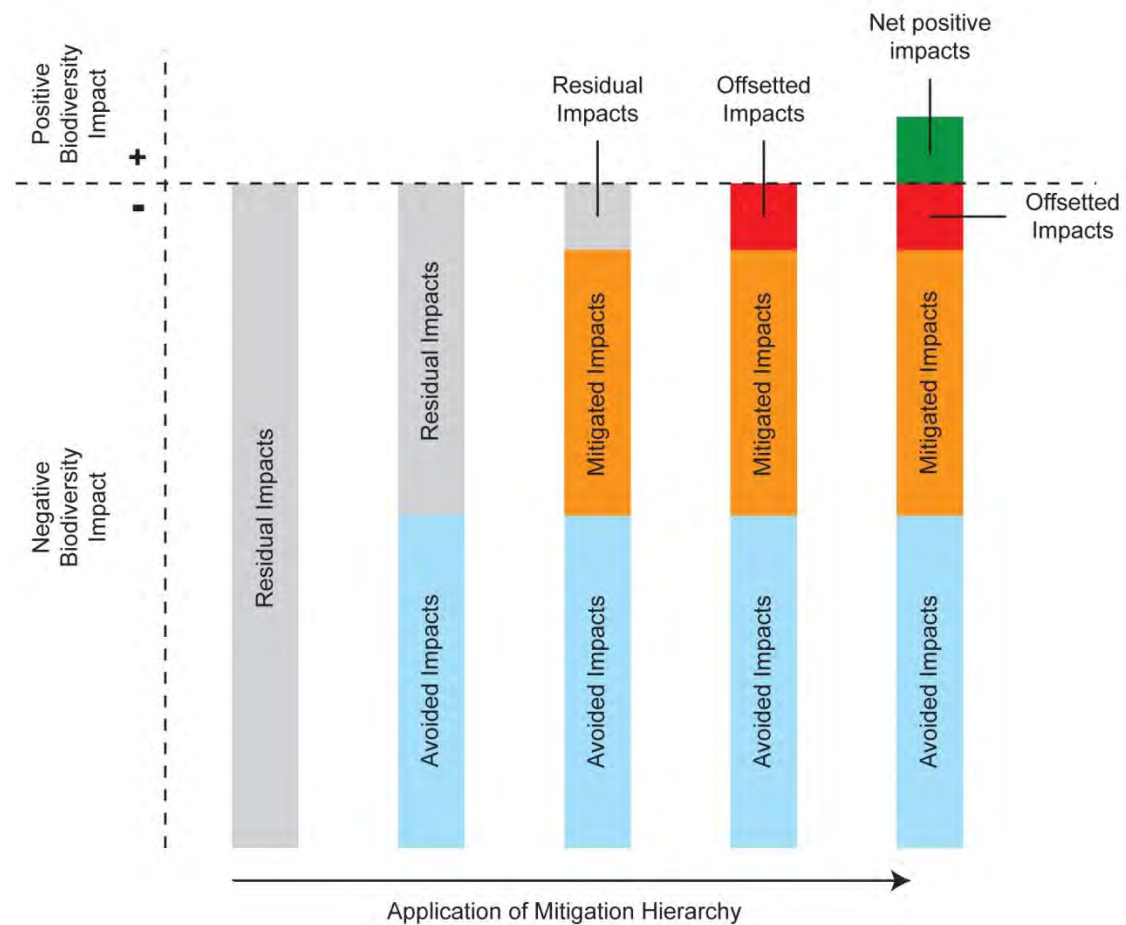
5.13 The NPPF requires that, when determining planning applications, local planning authorities should apply the 'mitigation hierarchy' of avoid, mitigate, compensate, and where a development cannot satisfy the requirements of the 'mitigation hierarchy', planning permission should be refused (para 175). 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



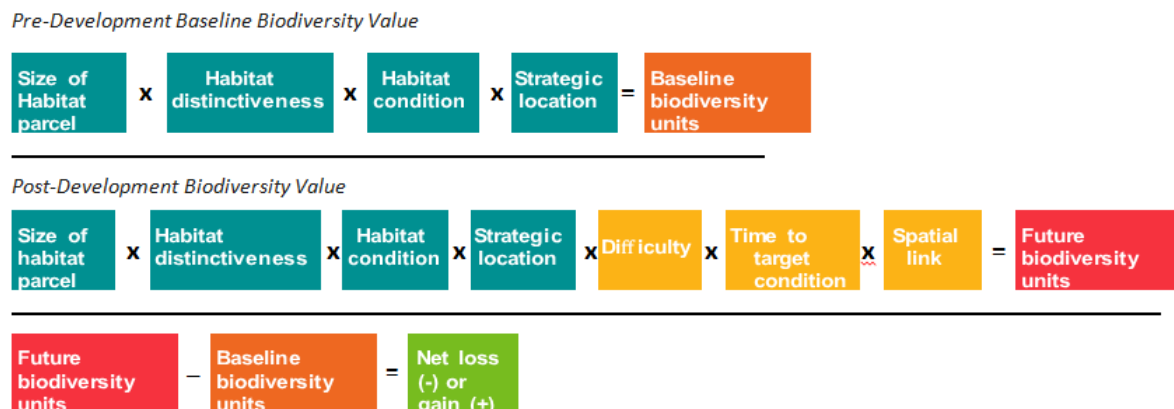
Pre-emptive Clearance

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

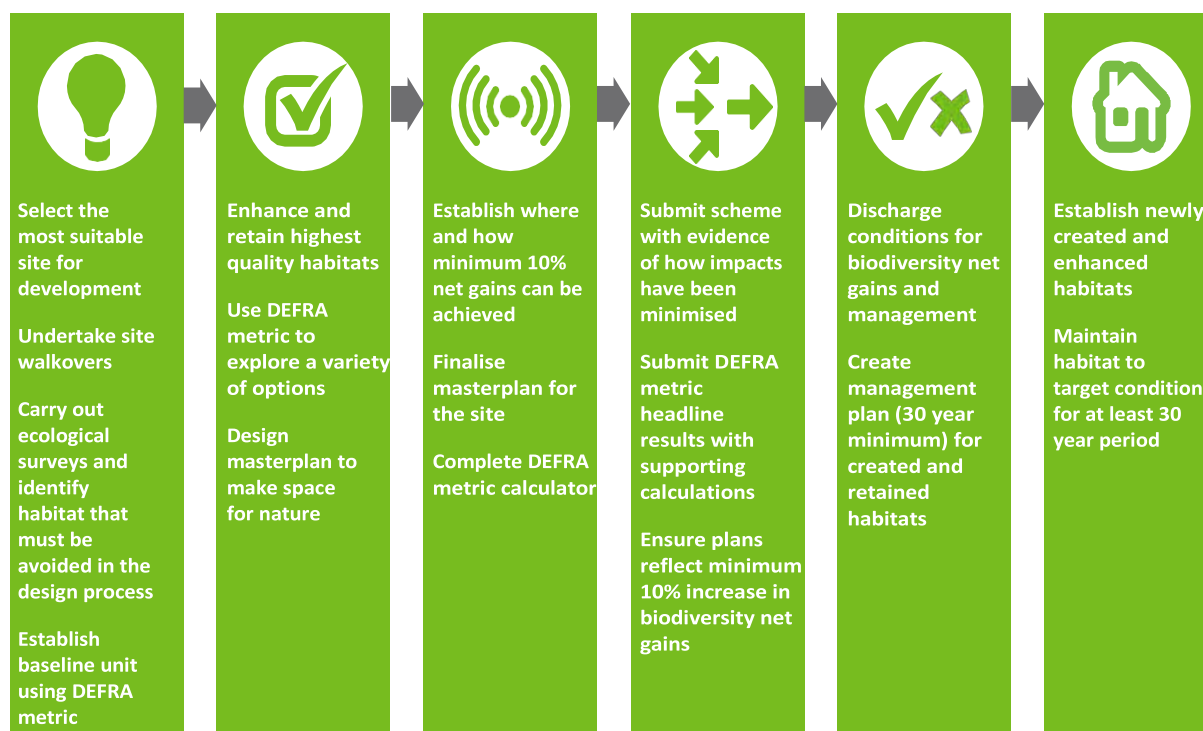


- 6.4 The DEFRA Metric calculations must be made by a suitably qualified ecologist⁴ who will need to undertake an appropriate on-site ecological appraisal (to best practice standards) with the evidence base supported by robust and transparent survey information and justification.
- 6.5 For an in depth 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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Lewes District Council

FORWARD PLAN OF DECISIONS

Period covered by this Plan:

1 January to 30 April 2021

Date of publication:

6 January 2021

Membership of Cabinet:

Councillor James MacCleary: Leader of the Council and Chair of Cabinet

Councillor Zoe Nicholson: Deputy leader and Cabinet member for finance and assets

Councillor Matthew Bird: Cabinet member for sustainability

Councillor Julie Carr: Cabinet member for recycling and open spaces

Councillor Chris Collier: Cabinet member for performance and people

Councillor Johnny Denis: Cabinet member for communities and customers

Councillor William Meyer: Cabinet member for housing

Councillor Emily O'Brien: Cabinet member for planning and infrastructure

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

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

Forthcoming decisions:

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Recovery and reset programme</p> <p>This report will update on progress with the R&R programme.</p> <p>(Lead Cabinet members: Councillor James MacCleary, Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	4 Feb 2021 22 Feb 2021	Part exempt Exempt information reasons: 3, 5	As detailed in the report.	Report	<p>Chief Executive (Robert Cottrill)</p> <p>Lee Banner, Transformation Programme Manager Tel: 01323 415763 lee.banner@lewes-eastbourne.gov.uk</p> <p>Jo Harper, Head of Business Planning and Performance Tel: 01273 484049 jo.harper@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Portfolio progress and performance report quarter 3 - 2020-2021</p> <p>to update Members on the Council's performance against corporate plan priority actions, performance indicators and targets over the quarter 3 2020/21 period.</p> <p>(Lead Cabinet member: Councillor Chris Collier)</p>	All Wards	Non-Key	Cabinet	4 Feb 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Millie McDevitt, Performance and Programmes Lead Tel: 01273 085637 millie.mcdevitt@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Finance update - performance quarter 3 - 2020-2021</p> <p>to provide an update on the Council's financial performance, revenue budgets and capital programme to the end of quarter 3 2020/2021 and explain the impact on the current financial position.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	4 Feb 2021	Open	Audit and Standards Committee	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>General Fund Revenue Budget 2021/22, Capital Programme</p> <p>to recommend full Council to set the 2021/22 budget and council tax at their meeting in February.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	4 Feb 2021 22 Feb 2021	Open	The budget is subject to a wide and varied consultation process. The Council's Policy and Performance Advisory Committee will also have a formal opportunity of considering the proposals.	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy</p> <p>To recommend full Council to agree treasury management policies and prudential indicators for 2021/22.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	4 Feb 2021 22 Feb 2021	Open	None, other than provided for the main budget proposals (see separate item)	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Housing revenue account budget 2021/22</p> <p>Recommendations to full Council in respect of the housing revenue account for 2021/22.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet Full Council	4 Feb 2021 22 Feb 2021	Open	An integral part of the Budget process is a constructive dialogue with The Tenants of Lewes District Group (TOLD)	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Fees and charges</p> <p>To propose a revised schedule of fees and charges to apply from 1 April 2021. (Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	4 Feb 2021	Part exempt Exempt information reason: 3	Policy and Performance Advisory Committee	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 andrew.clarke@lewes-eastbourne.gov.uk,</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) ola.owolabi@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Climate change and sustainability strategy</p> <p>New strategy document to set out the route to meet the climate emergency target of making the council net zero carbon and helping to reduce emissions in the district to net zero by 2030. Decision required to approve the climate change and sustainability strategy and action plan.</p> <p>(Lead Cabinet member: Councillor Matthew Bird)</p>	All Wards	Key	Cabinet	4 Feb 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Kate Richardson, Strategy and Partnership Lead for Sustainability kate.richardson@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Voluntary Sector Support</p> <p>Report on the performance of those voluntary organisations funded by the Council and for Cabinet to agree the Council's policy on grants to voluntary organisations and the levels of grant funding for the coming year</p> <p>(Lead Cabinet member: Councillor Johnny Denis)</p>	All Wards	Key	Cabinet	4 Feb 2021	Open	The provision of grant funding is based on regular discussion with voluntary sector agencies, including surveys of local voluntary organisations carried out each year by 3VA.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Oliver Jones, Strategy and Partnership Lead Tel: 01323 415464 Oliver.Jones@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Community safety partnership annual report</p> <p>Receipt of annual report to note. (Lead Cabinet member: Councillor Johnny Denis)</p>	All Wards	Non-Key	Cabinet	4 Feb 2021	Open	<p>An ongoing process of engagement is in place to help assess and evaluate the success of projects and other measures supported by the Partnership.</p> <p>Policy and Performance Advisory Committee to receive report if requested.</p>	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Oliver Jones, Strategy and Partnership Lead Tel: 01323 415464 Oliver.Jones@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Planning Technical Advice Notes</p> <p>Approval of three technical advice notes that provide advice to planning applicants on the Council's expectations for addressing sustainability issues</p> <p>(Lead Cabinet member: Councillor Emily O'Brien)</p>	All Wards	Key	Cabinet	4 Feb 2021	Open	<p>Targeted consultation with Lewes Planning Services User Group, Sussex Wildlife Trust and East Sussex County Council between 28th September and 16th October 2020.</p> <p>Consultation with Local Plan Steering Group on 1st September and 27th October.</p>	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Matt Hitchen, Senior Planning Policy Officer Tel: (01323) 415253 matt.hitchen@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Recovery and reset programme</p> <p>This report will update on progress with the R&R programme.</p> <p>(Lead Cabinet members: Councillor Zoe Nicholson, Councillor James MacCleary)</p>	All Wards	Key	Cabinet	25 Mar 2021	Open	As detailed in the report.	Report	<p>Chief Executive (Robert Cottrill)</p> <p>Lee Banner, Transformation Programme Manager Tel: 01323 415763 lee.banner@lewes-eastbourne.gov.uk</p> <p>Jo Harper, Head of Business Planning and Performance Tel: 01273 484049 jo.harper@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Wave Leisure Service Plan 2021/22</p> <p>To receive and approve the Wave Leisure service delivery plan for 2021/22 (Lead Cabinet member: Councillor Ruth O'Keeffe MBE)</p>	All Wards	Key	Cabinet	25 Mar 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Tourism and Enterprise (Philip Evans)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 mark.langridge-kemp@eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Community Infrastructure Levy Charging Schedule Review</p> <p>After four years of implementation of our CIL Charging Schedule, it is essential to reassess the viability of development in those areas of the District outside the South Downs National Park to ensure that the levy remain appropriate.</p> <p>(Lead Cabinet member: Councillor Emily O'Brien)</p>	All Wards	Key	Cabinet	25 Mar 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Leigh Palmer, Interim Head of Planning Tel: 01323 415215 leigh.palmer@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Update to the Local Validation List:- Information required to support/accompany planning applications</p> <p>As local authorities have local issues/impacts. The Local Validation List seeks to identify the key local information that would be required to supplement planning applications</p> <p>(Lead Cabinet member: Councillor William Meyer)</p>	All Wards	Non-Key	Cabinet	25 Mar 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Leigh Palmer, Interim Head of Planning Tel: 01323 415215 leigh.palmer@lewes-eastbourne.gov.uk</p>

Forthcoming decisions

Title, description and lead cabinet member:	Ward(s):	Decision type:	Decision maker:	Expected date of decision:	Expected exemption class: (Exempt information reason as defined by Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))	Consultation arrangements proposed or undertaken (where known):	Documents to be submitted:	Lead Chief Officer/ Contact Officer:
<p>Joint Biodiversity Strategy</p> <p>The joint strategy and tailored action plan presented for approval. (Lead Cabinet member: Councillor Matthew Bird, Councillor Julie Carr)</p>	All Wards	Key	Cabinet	25 Mar 2021	Open	Input at expert panels has been applied	Report	<p>Director of Service Delivery (Tim Whelan)</p> <p>Jane Goodall, Strategy and Partnership Lead, Quality Environment Tel: 01273 484383 Jane.Goodall@lewes-eastbourne.gov.uk</p>
<p>Asset Management Plan</p> <p>To agree the strategy and approach to all of our assets over the next four years. (Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	25 Mar 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Nick Adlam, Programme Lead for Newhaven Sustainability Tel: 01323 415214 nick.adlam@lewes-eastbourne.gov.uk</p>

Explanatory Note

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

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

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

The plan shows:-

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

What is a key decision?

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

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

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

What is budget and policy framework?

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

Confidential and exempt information

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

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

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

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

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

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

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

10. Information which:

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

(b) is not prevented from being exempt by virtue of paragraph 8 or 9 above, is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11. “Labour relations matter” means:

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

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

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

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

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

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

Further information

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

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

Policy and Performance Advisory Committee Work Programme 2020/2021

Subject	Lead Officer	Date of meeting
Quarterly Performance report Q4	Millie McDevitt, Performance & Programme Lead millie.mcdevitt@lewes-eastbourne.gov.uk	29 June 2020
Review of the Development Management area of the Planning Service.	Leigh Palmer, Head of Housing and Development leigh.palmer@lewes-eastbourne.gov.uk	15 September 2020
Recovery and Reset Programme (including Corporate Plan 2020-2024 work plan 20/21)	Jo Harper, Head of Business Planning and Performance jo.harper@lewes-eastbourne.gov.uk	15 September 2020
Quarterly Performance report Q1	Millie McDevitt, Performance & Programme Lead millie.mcdevitt@lewes-eastbourne.gov.uk	15 September 2020
UTC, Newhaven	Peter Sharp, Head of Regeneration peter.sharp@lewes-eastbourne.gov.uk	15 September 2020
Wave Leisure Partnership support	Phil Evans, Director of Tourism and Enterprise philip.evans@lewes-eastbourne.gov.uk	15 September 2020
Chair of Lewes District Council's Civic Programme	Caroline Hanlon, Civic and Member Services Officer, caroline.hanlon@lewes-eastbourne.gov.uk	03 November 2020
Recovery and Reset Programme	Jo Harper, Head of Business Planning and Performance jo.harper@lewes-eastbourne.gov.uk	03 November 2020
Quarterly Performance report Q2	Millie McDevitt, Performance & Programme Lead millie.mcdevitt@lewes-eastbourne.gov.uk	30 November 2020

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Draft Budget Update	Andrew Clarke, Deputy Chief Finance Officer Andrew.Clarke@lewes-eastbourne.gov.uk	30 November 2020
Local council tax reduction scheme	Bill McCafferty, Revenues and Benefits Manager, bill.mccafferty@leweseastbourne.gov.uk	30 November 2020
North Street Quarter - update on delivery	Beverley Lucas, Specialist Project Manager, beverley.lucas@lewes.gov.uk	30 November 2020
Community Wealth Building	Jo Harper, Head of Business Planning and Performance jo.harper@lewes-eastbourne.gov.uk	30 November 2020
Community Infrastructure Levy Recommendations for Spending	Emma Kemp, Planning Policy Officer emmakemp@lewes-eastbourne.gov.uk	30 November 2020
Report on the Memorandum of Understanding between Environment Agency and Lewes District Council relating to coastal risk management at Telscombe Cliffs	Tim Bartlett, Specialist Advisor (Coastal and Flood Risk Management) tim.bartlett@leweseastbourne.gov.uk	30 November 2020
General Fund Revenue Budget 2021/22, Capital Programme	Andrew Clarke, Deputy Chief Finance Officer andrew.clarke@lewes-eastbourne.gov.uk	25 January 2021
Voluntary Sector Report	Seanne Sweeney, Strategy & Corporate Projects Officer seanne.sweeney@lewes-eastbourne.gov.uk	25 January 2021
Update on the review of the Development Management area of the Planning Service.	Leigh Palmer, Head of Housing and Development leigh.palmer@lewes-eastbourne.gov.uk	25 January 2021
Annual Lewes District Community Safety Partnership Report.	Oliver Jones, Strategy & Partnerships Lead oliver.jones@lewes-eastbourne.gov.uk	25 January 2021

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Climate Change and Sustainability Strategy	Kate Richardson, Strategy and Partnership Lead for Sustainability kate.richardson@lewes-eastbourne.gov.uk	25 January 2021
General Fund Revenue Budget 2021/22, Capital Programme	Andrew Clarke, Deputy Chief Finance Officer andrew.clarke@lewes-eastbourne.gov.uk	25 January 2021
Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy	Andrew Clarke, Deputy Chief Finance Officer andrew.clarke@lewes-eastbourne.gov.uk	25 January 2021
Fees and charges (part exempt)	Ola Owolabi, Deputy Chief Finance Officer ola.owolabi@lewes-eastbourne.gov.uk	25 January 2021
Tourism in the District Update	Helen Browning-Smith, Tourism and Culture Manager Helen.Browning-Smith@lewes-eastbourne.gov.uk	25 January 2021
Planning Technical Advice Notes	Matt Hitchen, Senior Planning Policy Officer matt.hitchen@lewes-eastbourne.gov.uk	25 January 2021
Wave Leisure Partnership Support update	Phil Evans, Director of Tourism and Enterprise philip.evans@lewes-eastbourne.gov.uk	25 January 2021
Quarterly Performance report Q3	Millie McDevitt, Performance & Programme Lead millie.mcdevitt@lewes-eastbourne.gov.uk	4 February 2021
The Council's approach to development and sustainability for public sector sites in Newhaven	Leighton Rowe, HEDP Development Project Manager leighton.rowe@lewes-eastbourne.gov.uk	15 March 2021

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Standing Items at all meetings of the Committee

- Forward Plan of Decisions
- Policy and Performance Advisory Committee Work Programme