

Public Document Pack  
**Policy and Performance  
Advisory Committee  
16 September 2021**



**Time and venue:**

**3.30 pm in the Ditchling and Telscombe Rooms at Southover House, Southover Road, Lewes, BN7 1AB**

**Membership:**

**Councillor Joe Miller (Chair); Councillors Liz Boorman (Deputy-Chair) Robert Banks, Nancy Bikson, Roy Clay, Stephen Gauntlett, Isabelle Linington, Christine Robinson, Adrian Ross, Steve Saunders and Richard Turner**

**Quorum: 3**

*Published: Wednesday, 8 September 2021*

**This meeting is open to the public to attend. Whilst seating is currently very limited due to social distancing guidelines, we ask that if you are planning to attend and observe the meeting, you register in advance (by midday Monday 28 June 2021) by emailing [committees@lewes-eastbourne.gov.uk](mailto:committees@lewes-eastbourne.gov.uk). We would request that you do not attend unless you have received an email from us confirming your seat reservation. Priority seating will be given to speakers.**

## **Agenda**

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

**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 Waste Service (Pages 11 - 34)

Report presented by Jane Goodall, Environment Lead.

### **7 Corporate Plan - Achievements and forward look (Pages 35 - 44)**

Report of Deputy Chief Executive and Director of Regeneration and Planning

## **POLICY INPUT AND DEVELOPMENT**

### **8 Requested reports due for consideration by the Cabinet on 23 September 2021**

- (a) **Portfolio progress and performance report quarter 1 - 2021/2022 (Pages 45 - 56)**

Report of Deputy Chief Executive and Director of Regeneration and Planning

- (b) **Finance update - performance quarter 1 - 2021/2022 (Pages 57 - 68)**

Report of Chief Finance Officer

- (c) **Medium term financial strategy (Pages 69 - 114)**

Report of the Chief Finance Officer

- (d) **Housing Development Update (Pages 115 - 128)**

Report of Deputy Chief Executive and Director of Regeneration and Planning

### **9 Exclusion of the public**

The Chief Executive considers that discussion of the following items is likely to disclose exempt information as defined in Schedule 12A of the Local Government Act 1972 and may therefore need to take place in private session. The exempt information reasons are shown beneath the items listed below. Furthermore, in relation to paragraph 10 of Schedule 12A, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. (The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)

**10 Housing development update - Exempt appendices (Pages 129 - 132)**

Report of Deputy Chief Executive and Director of Regeneration and Planning

Exempt information reasons 3 – Information relating to the financial and business affairs of any particular person (including the authority holding that information).

The exempt appendix in relation to this report will be considered under Item 10.

**11 Forward Plan of Decisions (Pages 133 - 154)**

To receive the Forward Plan of the Cabinet.

**12 Policy and Performance Advisory Committee Work Programme (Pages 155 - 160)**

To receive the Policy and Performance Advisory Committee Work Programme.

**13 Date of Next Meeting**

To note that the next meeting of the Policy and Performance Advisory Committee is scheduled to be held on 4 November 2021 at Southover House, Lewes.

## Information for the public

**Accessibility:**

Please note that the venue for this meeting is wheelchair accessible and has an induction loop to help people who are hearing impaired. This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

**Filming/Recording:**

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**Public participation:**

Please contact Democratic Services (see end of agenda) for the relevant deadlines for registering to speak on a matter which is listed on the agenda if applicable.

## Information for councillors

**Disclosure of interests:**

Members should declare their interest in a matter at the beginning of the meeting.

In the case of a disclosable pecuniary interest (DPI), if the interest is not registered (nor the subject of a pending notification) details of the nature of the interest must be reported to the meeting by the member and subsequently notified in writing to the Monitoring Officer within 28 days.

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation).

**Councillor right of address:**

A member of the Council may ask the Chair of a committee or sub-committee a question on any matter in relation to which the Council has powers or duties or which affect the District and which falls within the terms of reference of that Committee or Sub-Committee.

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 in Ditchling and Telscombe Rooms at Southover House, Southover Road, Lewes, BN7 1AB on 30 June 2021 at 3.30 pm.**

**Present:**

Councillor Joe Miller (Chair), Robert Banks, Nancy Bikson, Roy Clay, Stephen Gauntlett, Christine Robinson, Adrian Ross and Steve Saunders.

**Officers in attendance:**

Philip Brown (Property Lawyer), Andrew Clarke (Deputy Chief Finance Officer (Financial Planning)), Nathan Haffenden (Head of Commercial Business Development), Jo Harper (Head of Business Planning and Performance), Oliver Jones (Strategy and Partnership Lead), Millie McDevitt (Organisational Effectiveness and Performance Lead), Nick Peeters (Committee Officer), Kate Richardson (Strategy and Partnership Lead for Sustainability) and Leighton Rowe (Development Project Manager).

**Also in attendance:** Councillor William Meyer.

### **9 Minutes of the previous meeting**

The minutes of the meeting held on 3 June 2021 were submitted and the Chair was authorised to sign them as a correct record.

### **10 Apologies for absence**

Apologies for absence were received from Councillor Liz Boorman (substituted by Councillor Jim Lord), Isabele Linington (substituted by Councillor Sylvia Lord) and Councillor Richard Turner.

### **11 Declarations of Interest**

Councillor Robert Banks declared a personal interest in items 6b and 10 on the agenda – ‘Investing in Green Energy Initiatives’ and ‘Investing in Green Energy Initiatives EXEMPT appendix’ as a result of him being employed by the Local Government Association.

Councillor Saunders declared a personal interest in items 6f and 12 on the agenda ‘Community Grants Policy’ and ‘Community Grants Policy EXEMPT appendix’ as a result of his being a trustee of Community Transport Lewes Area (CTLA).

### **12 Urgent Items**

There were none.

**13 Written Questions from Councillors**

There were none.

**14 Requested reports due for consideration by the Cabinet on 8 July 2021**

It was confirmed by members that, as part of the call-over process, the following reports would be included in discussion by the Committee.

6(a) Portfolio progress and performance report quarter 4 - 2020-2021 and end of year summary

6(b) Investing in Green Energy Initiatives

6(c) Provisional Revenue and Capital Outturn - 2020/2021

6(e) Re-imagining Newhaven

6(f) Community Grants Policy

6(g) Housing Development Update

**Resolved** that the officer recommendations in the following Cabinet report be supported in full:

6(d) Treasury management annual report 2020/21 and latest treasury management

**14a Portfolio progress and performance report quarter 4 - 2020-2021 and end of year summary**

Millie McDevitt, Organisational Effectiveness and Performance Lead, presented the report. During discussion the following points were highlighted.

- There were difficulties in directly linking incidents of fly-tipping with the introduction of charges for certain materials at household waste and recycling centres.
- There were continued discussions between stakeholders around increasing recycling rates with a number of educational programmes having taken place. The driving up of the recycling rate was an important area of focus for the Council in 2021/202, and the Communications team, the Operational Recycling team and the Strategy Partnership Lead for Quality and Environment will continue to collaborate on this.

It was confirmed that the following information would be provided to Members:

- The location of a second CCTV camera in Newhaven and the criteria for deploying the additional camera.
- Whether discussions were being held regarding the use of the Burgess Hill

Household Waste and Recycling centre.

- A study that identified trends between the use of household waste and recycling centres and incidents of fly-tipping, and the volume of household waste produced (with an emphasis on encouraging residents to reduce and reuse, rather than recycling, and a reduction in landfill and the incineration of waste).
- The data for recycling rates to be provided by East Sussex County Council.

It was requested that an update be provided at the next meeting on the waste service to include charging for environmental offences.

**Resolved** to support the officer recommendations in the Cabinet report subject to the following additional recommendation being considered by the Cabinet:

- 1) That the Cabinet request that officers look into providing more information on volumes of waste going to landfill/incineration, including historical trends and benchmarking information, and that a communication strategy/campaign on waste reduction alongside recycling be developed.

#### **14b Investing in Green Energy Initiatives**

The Chair, Councillor Miller, introduced the item and proposed that that item 6b. Investing in Green Energy initiatives and Item 10. Investing in Green Energy Initiatives, EXEMPT appendix, be considered together in an exempt session as Members were likely to discuss details in the exempt appendix.

**Resolved** that the public and press be excluded from the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in paragraph 3 of schedule 12A of the Local Government Act 1972. (The requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Kate Richardson, Strategy and Partnership Lead, presented the report. During discussion the following points were highlighted:

- Government policy no longer supported the production of wind-farms as a form of sustainable energy. The proposals in front of Members was for an investment in the production of local solar energy.
- Members expressed concern over the agreement for the increased loan for development funding and urged officers to ensure the loan agreement was made directly with OVESCO Ltd.

Following discussion of the report and the exempt appendix, the public meeting resumed.

**Resolved** to support the recommendations in the report subject to the cabinet considering the following amended recommendation:

- 1) To delegate authority to the Deputy Chief Executive, in consultation with the Chief Finance Officer and Cabinet member for finance and assets, to increase the loan provision to OVESCO up to a maximum of £155,000 for development funding to take the solar farm proposal set out in section 2 and Appendix 1 of this report to planning submission, ***subject to the loan being agreement being made directly with OVESCO Ltd***, and subject to further due diligence being carried out, satisfactory loan terms and milestones being agreed.

**14c Provisional Revenue and Capital Outturn - 2020/2021**

Andrew Clarke, Chief Finance Officer, presented the report. During discussion the following points were highlighted:

- The £782,000 variance which reflected the reduced cost of financing and interest income was not part of the larger Capital Programme. The Capital Financing Support contribution of £500,000 was to aid the Capital Programme.

**Resolved** to support the officer recommendations in the Cabinet report in full.

**14d Treasury management annual report 2020/21 and latest treasury management monitoring**

This report was not requested for inclusion in discussion by the Committee (see minute 14). Members had previously resolved to support the officer recommendations in the report in full.

**RESOLVED** to support the officer recommendations in the Cabinet report in full.

**14e Re-imagining Newhaven**

The Chair, Councillor Miller, proposed that the Committee enter into an exempt meeting for the remaining substantive items on the agenda as each of the items had an exempt appendix which Members and officers were likely to discuss.

**Resolved** to exclude the public as otherwise there was a likelihood of disclosure of exempt information as defined in schedule 12A of the Local Government Act 1972, paragraph 3 – Information relating to the financial and business affairs of any particular person (including the authority holding that information).

Nathan Haffenden, Head of Commercial Business & Development, presented the report. During discussion the following points were highlighted.



- Parking, including 'on-street' parking on the High Street, would be looked at as part of the 'due diligence' element of the proposals.
- Members proposed that the Council write a letter of thanks to the Ministry of Housing, Communities and Local Government (MHCLG) in respect of the funding provided towards the Programme. Members also requested that the officers involved in the programme be thanked.

**Resolved** to support the officer recommendations in the Cabinet report in full subject to the Cabinet considering the following additional recommendation:

- a) That the Cabinet write a letter of thanks to the Ministry of Housing Communities and Local Government, for the Future High Streets Fund grant and thank those officers at the Council who have worked towards the Re-imagining Newhaven programme.

#### **14f Community Grants Policy**

Prior to discussion, Councillor Saunders declared a personal interest in the item as a result of his being a trustee of Community Transport Lewes Area (CTLA).

Oliver Jones, Strategy and Partnership Lead, presented the report. During discussion the following points were highlighted:

- The grants application pack was being worked on and would be circulated to Members when complete.

**Resolved** to support the officer recommendations in the Cabinet report in full.

#### **14g Housing Development Update**

Nathan Haffenden, Head of Commercial Business & Development and Leighton Rowe, HEDP Development Project Manager, presented the report. During discussion the following points were highlighted:

- The mix of modular and traditional builds within the schemes had not been specified and was not part of the decision making process.
- More information would be provided as the schemes progressed. Balancing aspirations against available resources was a consideration.

Following discussion of the report and the exempt appendix, the public meeting resumed.

**Resolved** to support the officer recommendations in the Cabinet report in full.

## **15 Forward Plan of Decisions**

Prior to discussion on the item, the Committee resolved to return to open session.

The Chair, Councillor Miller, introduced the Forward Plan of Cabinet decisions. Members requested that the following items be considered at the next meeting:

- Recovery and Reset programme
- Portfolio progress and performance report quarter 1 - 2021-2022
- Finance update - performance quarter 1 - 2021-2022
- Corporate Plan- Review of year 1 achievements
- Medium term financial strategy
- Asset Management Plan

**Resolved** to note the Forward Plan of Cabinet decisions.

## **16 Policy and Performance Advisory Committee Work Programme**

The Chair, Councillor Miller, introduced the Policy and Performance Committee work programme for 2021/2022. Members requested that, along with the Cabinet reports already requested, the following item be included on the agenda for Committee's next meeting:

- An update on the Waste Service.

**Resolved** to note the Policy and Performance Advisory Committee work programme.

## **17 Date of Next Meeting**

**Resolved** to note that the next meeting of the Policy and Performance Advisory Committee was scheduled for 16 September in the Ditchling/Telscombe Rooms, Southover House, Southover Road, Lewes commencing at 3:30pm.

The meeting ended at 5.15 pm

Councillor Joe Miller (Chair)

<b>Report to:</b>	<b>Policy and Performance Advisory Committee</b>
<b>Date:</b>	<b>16 September 2021</b>
<b>Title:</b>	<b>Update on the Waste Service</b>
<b>Report of:</b>	<b>Tim Whelan, Director of Service Delivery</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To provide information on waste, recycling and associated services including the methodology behind recycling statistics and data on waste tonnages</b>
<b>Officer recommendation(s):</b>	<b>That the Policy and Performance Advisory Committee:</b> <b>(1) Considers the report and agrees any recommendations that members may wish to make to the Cabinet</b> <b>(2) Notes the approach to waste recycling and street cleansing communications and engagement activity</b>
<b>Reasons for recommendations:</b>	<b>This information was requested by councillors at the PPAC meeting in June 2021</b>
<b>Contact Officer(s):</b>	<b>Name:</b> Jane Goodall <b>Post title:</b> Environment Lead <b>E-mail:</b> <a href="mailto:Jane.Goodall@lewes-eastbourne.gov.uk">Jane.Goodall@lewes-eastbourne.gov.uk</a> <b>Telephone number:</b> 07788515359

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## **1 Introduction**

- 1.1 The Environment Bill, reintroduced to Parliament on 30 January 2020, includes ambitions for higher recycling rates and increased resource efficiency.
- The national recycling target for household waste is currently 50%, increasing to 65% of waste recycled by 2035, at a time when rates across the country have plateaued.
- 1.2 The quality of the environment is of the utmost importance to our residents and has several dimensions, from reducing our carbon footprint to receiving a quality waste collection service.
- 1.3 Throughout lockdown over a third of local authorities had to cease garden waste collections entirely, nearly three quarters of local authorities had moderate to severe disruptions to household recycling collections and around two thirds of authorities had to suspend bulky waste collections. The only change to LDC collection services has been the brief suspension of bulky waste collections,

once in 2020 and again more recently; all other collection services have continued with no disruption during these unprecedented times.

## **2 Purpose**

- 2.1 The purpose of this report is to set out recent data and information on LDC's operational services relating to waste. For key statistics and the methodology used, see Appendix 1 – LDC waste data report.
- 2.2 Resident education and engagement is dynamic and far-reaching. The communication and engagement strategy aligned to this service area is outlined in section 6 below and detailed at Appendix 2.

## **3 Background**

- 3.1 Lewes District Council (LDC) provides waste and recycling collections and street cleansing services via the in-house team based at Robinson Road, Newhaven. Refuse and food waste is collected weekly and dry mixed recycling, fortnightly. There is also a charged-for fortnightly garden waste collection service.
- 3.2 Neighbourhood First provides support to the community in engagement, education, monitoring and enforcement in relation to littering, fly tipping, dog fouling and other environmental services.
- 3.3 Operational services are supported by an approach to communication and engagement agreed with Councillor Carr, Cabinet member for recycling, waste and open spaces.
- 3.4 East Sussex County Council as the Waste Disposal Authority provides services and infrastructure for the disposal of materials for the five local collection authorities in East Sussex. For LDC:
- Residual waste goes to the Newhaven Energy Recovery Facility (ERF) (please note, not landfill).
  - Dry mixed recycling is taken to Light Brothers, Lewes for onward transportation to Viridor's Material Recycling Facility in Crayford.
  - Food waste is taken to the Newhaven ERF for onward transportation to the Woodlands In-Vessel Composting Facility.
- 3.5 Garden waste collected in Lewes district is currently delivered to KPS Composting Services, Isfield under a separate agreement.

## **4 Waste and recycling performance**

- 4.1 In terms of the waste hierarchy, 'reduce, reuse, recycle', low overall waste is the top priority. Lewes district outperforms many English LAs in terms of waste collected per household. Please see Appendix 1 for detailed performance information.

Kgs of residual waste per household for Quarter 1 2021/22 are estimated to be 115kgs\*.

*\*East Sussex County Council (ESCC) (as the waste disposal authority) provides the closing data for this calculation which is not yet available. In the meantime, raw data taken from vehicle weighbridge tickets has been used (d-n ÷ number of dwellings) and is subject to change, for example it does not include rejects from the DMR.*

As expected, the trend for kgs of residual household waste has fluctuated over the past three years. 2021/22 sees a decrease on 2018/19 which is consistent with the introduction of the single bin co-mingled recycling service and residents recycling more. 2020/21 sees an increase in residual waste which again is consistent with behaviours created by Covid-19 and residents having household clear outs and working and schooling from home.

- 4.2 Unfortunately, there is a significant time lag to getting up-to-date and verified recycling data. The percentage of household waste sent for reuse, recycling and composting for Quarter 1 2021/22 is estimated to be 41.57%\*.

*\* ESCC (as the waste disposal authority) provides the closing data for this calculation which is not yet available. In the meantime, raw data taken from vehicle weighbridge tickets has been used but does not allow for any adjustments / recycling rejects and is subject to change.*

- 4.3 Contamination rates in Lewes district are low and this is important.

Highly contaminated loads of recycling will be rejected at either the transfer station or at Crayford Material Recovery Facility (and the rejected load is deducted from the recycling tonnage figure). This entails additional cost and transportation, to have the rejected material incinerated, and means the loss of clean recycling mixed in with the contaminated material.

Typical contaminants are food waste, clothes & shoes, wood/lumber and nappies. Recycling contamination is regularly monitored, and common contaminants are specifically targeted in educational campaigns and through social media.

The quality of material collected in Lewes district remains consistently around 2% - 2.5% whereas contamination rates of 10%+ are not uncommon elsewhere in the country.

- 4.4 LDC has been particularly successful at increasing the amount of dry mixed materials (e.g. plastics, cans, paper) collected for recycling. The move to current co-mingled collections saw a dramatic increase in LDC's recycling rate. Dry mixed recycling (excluding food and composting) in the quarter preceding the roll-out of the new system was just 19.3% against 29.6% in the quarter immediately following the complete roll-out (representing an increase of 10.3 percentage points).

Including food and garden waste, the estimated recycling rate for 2020/21 stands at 39.8%.

## **5 Litter and fly tipping enforcement**

- 5.1 The Neighbourhood First team covers three separate zones across the district. Advisers get to know their zone and the hotspots within them. With a focus on local issues, they respond to complaints and enquiries, investigate fly tips as appropriate and take robust enforcement action where evidence is obtained. A

prosecution will be considered for significant transgressions in liaison with the legal team. However, without identifiable evidence (e.g. name and address) it is almost impossible to begin enforcement action in most circumstances

5.2 In Quarter 1 2020/21 there were 64 incidents of fly tipping (April - 26, May - 16, June - 22). There were no Fixed Penalty Notices (FPNs) issued in Q1.

5.3 Neighbourhood First undertakes structured street inspections quarterly to monitor the street scene, as well as continuous monitoring by virtue of being based in the community.

## **6 Communication and engagement**

6.1 Critical to our success is continuing communications and engagement using a range of media. The communications strategy at Appendix 2 supports the council in its commitment to the environment and in meeting its operational objectives and targets through a clear, strategic and coordinated programme of communications activity throughout the year.

6.2 A principal means of communicating these messages is through the Reduce, Reuse, Recycle Bulletin launched in March 2021. This is emailed to over 13,000 residents every month. There are also regular updates to the website, on social media, printed publications, leaflets and via the external media through the issuing of press releases.

6.3 Communications have been well received by residents and councillors alike, with many elected members of all parties contacting us with positive comments. Examples include:

- 'These updates are great and as I said, you guys are totally rocking it with the A27' Cllr Emily O'Brien
- 'This is really excellent Neil' Cllr Christine Robinson
- 'Thanks Neil. Excellent as always' Maria Caulfield MP

6.4 We have experienced higher levels of engagement on social media for waste and recycling-related posts than any other service area. For example, a post to raise awareness of our work to clear litter from the A27 received just under 200 likes on Facebook and over 2,500 engagements (clicks, likes and shares), helping us reach over 15,000 people with a single post.

## **7 Financial appraisal**

7.1 The report is for information only and as such there are no direct financial implications *AC 01/09/21*

## **8 Legal implications**

8.1 There are no legal implications arising directly from this information-only report.

## **9 Risk management implications**

9.1 This report is for information purposes. There are reputational risks in not communicating and achieving objectives and targets for waste reduction and increased recycling.

## **10 Equality analysis**

10.1 No implications for equalities generated through this update report.

## **11 Environmental sustainability implications**

11.1 Waste reduction is a key priority for Lewes District Council. The council aims to minimise waste and to recycle or reuse as part of a circular economy approach to tackle the climate and nature emergency.

## **12 Appendices**

- Appendix 1 – LDC waste data report
- Appendix 2 – LDC waste recycling and street cleansing comms strategy

## **13 Background papers**

- None

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## Appendix 1 : Lewes District Council PPAC Qrt1 21/22 and waste trends

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### 1 Introduction

This report covers the period Qrt 1, 2021/22 plus historical data, waste trends and comparison covering a period of 3 years for:

- Percentage of household waste sent for reuse, recycling and composting (NI192)
- Kgs of residual waste per household (NI191)
- Total household waste collected
- Total number of reported fly-tipping incidents

### 2 Performance outcomes

#### 2.1 Percentage of household waste sent for reuse, recycling & composting (NI192)

- 2021/22 Quarter 1 = 41.57%

*N.B. ESCC (as the waste disposal authority) provide the closing data for this calculation which is not yet available. In the meantime, raw data taken from vehicle weighbridge tickets has been used but does not allow for any adjustments / recycling rejects and is subject to change.*

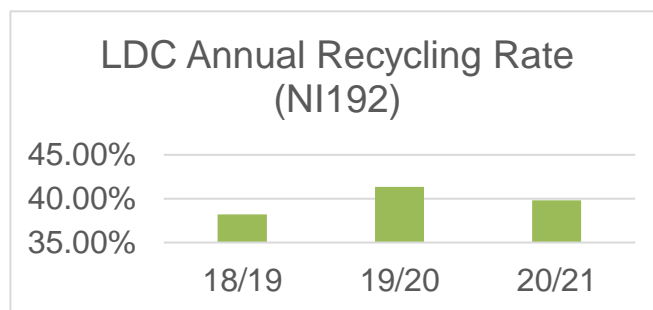
#### Trend over previous 3 years

The methodology for calculating the recycling percentage rate is set by DEFRA using data agreed by ESCC. It is a very straightforward calculation of the numerator (total recycling collected) divided by the denominator (total waste collected).

- The numerator is made up of total dry mixed recycling (DMR), food waste and garden waste
- The denominator is made up of from the totals for: Refuse, DMR including rejects, food waste, garden waste, clinical waste, bulky waste, litter and street sweepings.

The table and chart below show the annual recycling rate across 3 years

LDC Annual Recycling Rate (NI192)			
	18/19	19/20	20/21
<b>Qrt 1</b>	37.29%	40.18%	40.43%
<b>Qrt 2</b>	37.83%	41.53%	42.97%
<b>Qrt 3</b>	38.78%	41.72%	37.31%
<b>Qrt 4</b>	38.87%	41.27%	38.36%
<b>Yr. end</b>	<b>38.2%</b>	<b>41.3%</b>	<b>39.8%</b>
<b>Target</b>	<b>32%</b>	<b>37%</b>	<b>43%</b>
<i>Dif.</i>	6.19%	4.34%	-3.23%



Since 2018/19 LDC has seen a steady increase in recycling thereby exceeding its annual targets, except for 2020/21 where it was only missed by 1.12%. This is a positive impact given that the targets have been increased year on year. In May 2018 LDC completed the move from a source separated collection service by introducing a single bin co-mingled recycling collection system making recycling easier for residents, along with additional materials being collected e.g. plastic pots, tubs and trays. Prior to this service change and up until 2017/18 the recycling rate hovered around 26% to 29% demonstrating the decision to move to the single bin has paid off.

## 2.2 Total Household Waste Collected

- 2021/22 Quarter 1 = 8,738.29tns

This quarter's data suggests that total household waste has remained stable compared to the end of the previous year's total household waste, Qrt 4 for 2020/21 of 8,763.68tns.

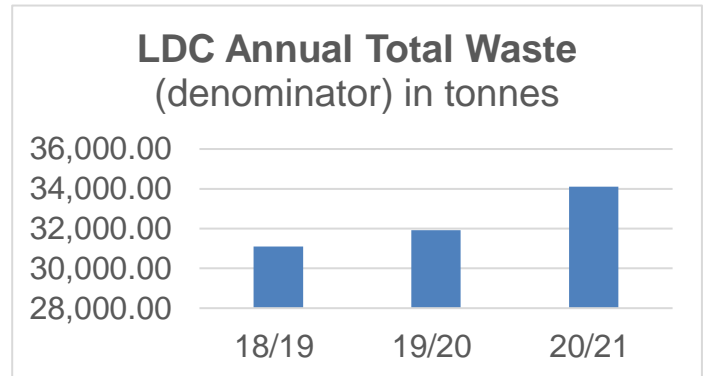
*N.B. There is no set target for total waste collected. ESCC (as the waste disposal authority) provide the closing data for this calculation which is not yet available. In the meantime, raw data taken from vehicle weighbridge tickets has been used.*

### Trend over previous 3 years

Household waste (denominator) is made up of from the totals for: Refuse, DMR including rejects, food waste, garden waste, clinical waste, bulky waste, litter and street sweepings. Household waste for 2018/19 and 2019/20 is consistent but increases by 2,194.64tns for 2020/21. This increase is attributed to the start of the COVID-19 lockdowns, particularly for quarter one where residents first took to decluttering and clearing their homes. This quarter also saw the temporary closure of the ESCC household waste sites (tips) thereby creating extra non-recyclable waste (refuse) being collected by LDCWS and, an increase in fly-tipping incidences.

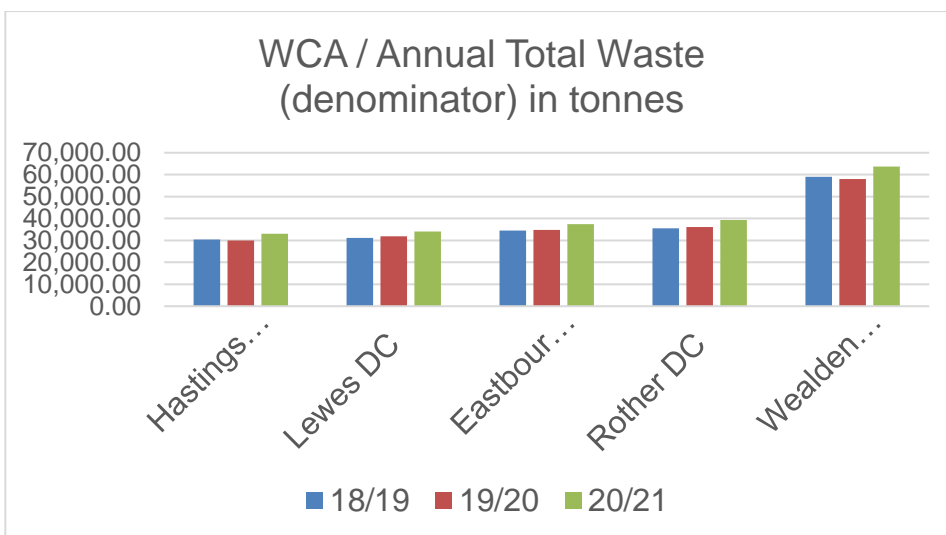
The table and chart below show total annual household waste in tonnes (denominator) across 3 years.

<b>LDC Annual Total Waste</b> (denominator) in tonnes			
	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
<b>Yr. end</b>	<b>31,102.28</b>	<b>31,913.87</b>	<b>34,108.51</b>



LDC's total waste figure sits as the second lowest compared to those for the collection authorities within East Sussex. The table and cluster chart below shows the annual household waste (denominator) for each of the WCA's within East Sussex.

<b>WCA / Annual Total Waste</b> (denominator) in tonnes			
	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
Hastings BC	30,374.44	29,991.48	33,079.34
Lewes DC	31,102.28	31,913.87	34,108.51
Eastbourne BC	34,526.89	34,840.72	37,444.19
Rother DC	35,470.20	36,148.45	39,339.87
Wealden DC	59,096.98	58,044.91	63,773.45



### 2.3 Kgs of residual waste per household (NI191)

- 2021/22 Quarter 1 = 115.00kgs

This quarter's data suggests that residual waste per household has remained stable compared to the end of the previous year's Qrt 4 for 2020/21 of 115.50kgs.

*N.B. There is no set target for total waste collected. ESCC (as the waste disposal authority) provide the closing data for this calculation which is not yet available. In the meantime, raw data taken from vehicle weighbridge tickets has been used (d-n ÷ number of dwellings) and is subject to change, for example it does not include rejects from the DMR.*

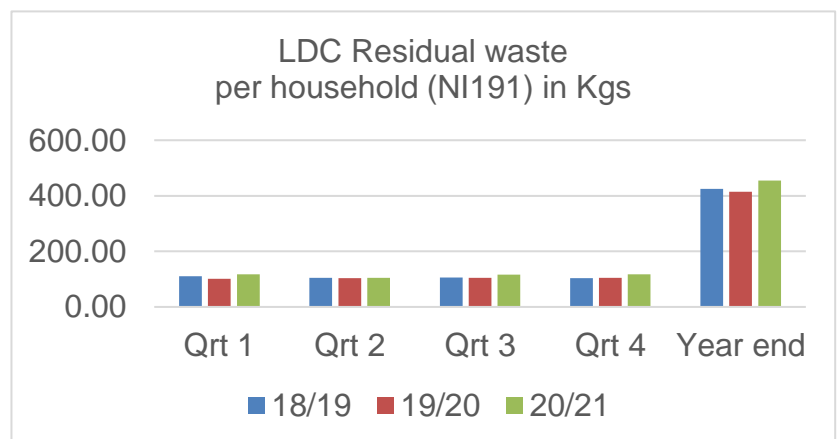
#### Trend over previous 3 years

The residual household waste figure is achieved by minusing total recycling from total waste (the denominator minus the numerator and divided by the number of dwelling stock based on council tax from the Office of Statistics).

As expected, the trend for kgs of residual household waste has fluctuated over the past three years. 2021/20 sees a decrease on 2018/19 which is consistent with the introduction of the single bin co-mingled recycling service and residents recycling more. 2020/21 sees an increase in residual waste which again is consistent with behaviours created by Covid-19 and residents having household clear outs and working and schooling from home.

The table and cluster chart below show the residual waste per household in Kgs across 3 years.

LDC Residual waste per household (NI191) in Kgs			
	18/19	19/20	20/21
Qrt 1	110.70	101.70	117.14
Qrt 2	105.20	103.70	104.46
Qrt 3	105.90	104.30	115.78
Qrt 4	103.60	104.60	117.28
<b>Year end</b>	<b>425.40</b>	<b>414.30</b>	<b>454.66</b>



### 2.4 Total number of reported fly-tipping incidents

- 2021/22 Quarter 1 = 64 incidents (April = 26, May = 16, June = 22, monthly average = 21)

Total fly-tipping incidents for the quarter remains within target. This is comparable to the same period for the previous year (65) yet sees an increase by 9 for the previous year's quarter 4 of 55. April saw the highest number for the quarter with May being the lowest.

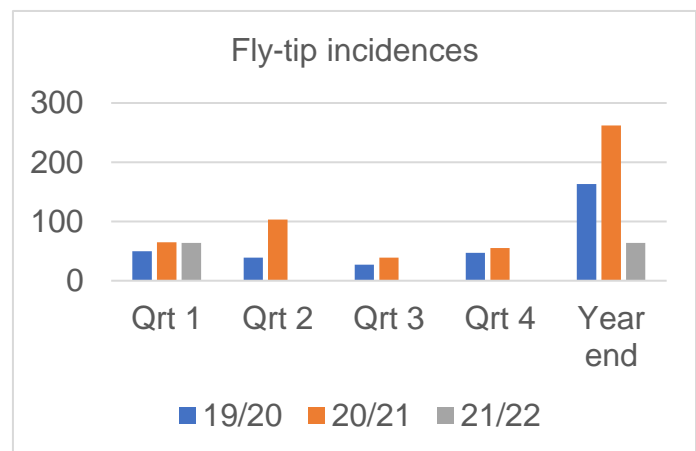
Overall hotspots, by ward, for the quarter: Chailey and Wivelsfield, Ditchling & Westmeston, Kingston, Newhaven Denton and Meeching, Ouse Valley and Ringmer,

There were no FPNs issued by Neighbourhood First for quarter 1.

**Trend over previous 2 years (data for 2018/19 is not available)**

The tables and cluster chart below show the quarterly figure of fly tipping incidents and the number of Fixed Penalty Notes (FPNS) issued for 2019/20 and 2020/21. This correlates to the Covid lockdown periods where extra waste was being created by households having clear-outs, decluttering, working and schooling from home.

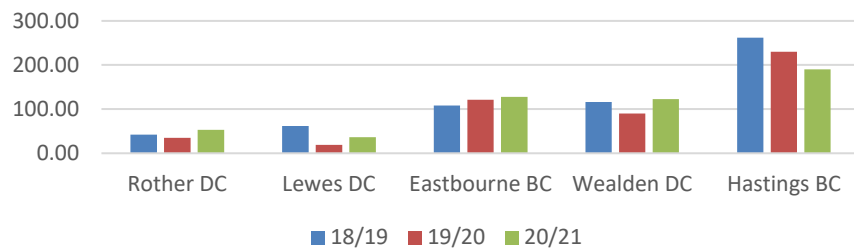
Fly-tip incidences			FPNs issued			
	19/20	20/21	19/20		20/21	
Qrt 1	50	65	0	£0	5	£1,075
Qrt 2	39	103	3	£225	3	£550
Qrt 3	27	39	1	£75	1	£400
Qrt 4	47	55	2	£500	1	£400
<b>Yr. end</b>	<b>163</b>	<b>262</b>	<b>6</b>	<b>£800</b>	<b>10</b>	<b>£2,425</b>



The table and cluster chart below, demonstrates that all Waste Collection Authorities within East Sussex have seen a year on year increase in fly-tipping tonnages collected with Rother DC being the lowest, followed by Lewes DC. HBC has the highest annual tonnage figure.

WCA / Annual fly-tipped waste in tonnes			
	18/19	19/20	20/21
Rother DC	42.00	35.26	53.02
Lewes DC	62.01	19.03	36.25
Eastbourne BC	108.20	121.37	127.46
Wealden DC	116.44	89.78	122.94
Hastings BC	261.86	230.18	190.10

### WCA / Annual fly-tipped waste in tonnes





# Waste and Recycling communications and engagement strategy

*Updated: 1 September 2021*

## Contents

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## 1. Starting position

Since the introduction of single stream recycling in the district, recycling rates have improved from 28.48% in 2017/18 to 37% in 2019/20, with 2020/21 heading for 41.9%, and our contamination rates have been the lowest by some margin across East Sussex.

Satisfaction rates with our waste and recycling services have traditionally been high and over the course of the Covid-19 pandemic the newly branded Environment First waste service was able to maintain almost all services, helping us benefit from a further boost in positive sentiment amongst residents. During this time the council took the opportunity to introduce the Environment First brand gradually and at minimal additional cost to the organisation which contributed to a successful initial introduction of the brand.

## 2. Strategic communications and engagement objectives

The quality of the environment is of the utmost importance to our residents and has several dimensions, from reducing our carbon footprint, how places look and deterring anti-social behaviour, to receiving a quality waste collection service. This communications strategy will support the council in its commitment to the environment and in meeting its operational objectives and targets through a clear, strategic and coordinated programme of communications activity throughout the year.

We will work with our partners to:

- Address an increase in littering as Covid-19 restrictions are eased, including roadside littering, beaches, parks, skateparks and other open spaces.
- Address instances of fly-tipping in the district, particularly an increase in tyres being fly-tipped as identified by the Environment Agency.
- Encourage reporting of environmental crime through the Report-It app and other channels and ensure there is feedback to customers reporting about the resolution of the issue reported.
- Support and positively engaging with local volunteer litter pick groups and linking with climate change and sustainability interest groups as appropriate.
- Support local, national and international waste and recycling campaigns.
- Raise awareness of the benefits of home composting.
- Firmly establish the reduce, reuse, recycle messaging.
- Incorporating the Open Space services requirements, linking with tree wildflower planting, links with the outcomes of the pollinator strategies – making a judgement on which vehicle to use when sharing these stories (RRR or Climate Change and Sustainability newsletter).
- Ensure residents are informed, engaged and educated around these service areas to encourage the desirable behaviour.

**We will work with Open Spaces, Neighbourhood First and Environment First to:**

- Reduce our carbon footprint and the council's commitment to its 2030 target
- Achieve a recycling rate of 50% (55% by 2025, 65% by 2035).
- Maintain fresh messaging to encourage waste reduction, increased recycling and particularly food waste recycling.
- Maintain and share positive sentiment towards the waste service through the use of good news stories.
- Ensure customers continue to be well informed of when to put their bins out, particularly when collection days change to bank holidays or service disruption.
- Ensure maximum uptake of the Garden Waste service.

### **3. Tone of voice**

All communications about these services will use a consistent 'tone of voice', taking care to be:

- With customers use a clear, easily understandable and written in Plain English (avoiding jargon, operational language, acronyms etc). With littering / fly-tipping perpetrators take a no nonsense, bold approach to messaging.
- Friendly, conversational and written with the customer in mind, giving particular consideration to those who are vulnerable or who have a low level of literacy.
- Drafted to communicate the key information as succinctly as possible.
- Accompanied by bright, positive images, using LDC, Customer First, Neighbourhood First or Environment First branding where appropriate.



- Acknowledge the great work of operational teams and volunteers.
- Wherever possible, tested in advance with internal stakeholders such as staff (particularly operational colleagues and customer advisors), elected members, and staff who are residents.

#### **4. Protocol for comms and engagement agreed with Lead Member for Recycling, Waste and Open Spaces**

- Officers to send planned social media releases to Lead Member for comment with a reasonable deadline (SMS is acceptable if urgent).
- Lead Member to have the opportunity to add a quote if appropriate.
- Items 'for immediate release' will be marked as such - and Lead Member cc'd for information – such items are likely to be about current operational issues.
- Press/media releases from Cobb PR will always be sent to Lead Member for approval.
- Any communications to LDC Cllrs relating to this portfolio must be approved by the Lead Member first.
- When retweeting / re-posting messages alert Lead Member to enable engagement with these posts.

#### **5. Communications and engagement priorities 2021/22**

- Recycling collection calendars and accompanying letter to all residents (November each year).
- Bank holiday collection variations (flyers, social media, email, website).
- Reduce, Reuse, Recycle bulletins (monthly to 12k+ subscribers).
- Reduction and recycling messages specific for housing tenants – three times a year via Open Voice newsletter.
- Support for litter pick groups including loan of equipment, promotion of events, positive coverage after sessions.
- Roadside litter clearance work with volunteer groups, Highways England etc.
- Awareness days e.g. Global Recycling Day, Great British Spring Clean.
- Fly-tipping prevention and reporting including promotion of Report It app.
- Garden waste collections.
- Food waste collection and reduction / home composting.
- Litter action – target schools, skateparks, visitors to the area to encourage litter reduction and taking litter home for recycling.
- Support for local events e.g. branded recycling bins at Gin and Fizz, Brewhaven, Seahaven Pride etc.
- Recycle Week 21 – 27 September.

- Seasonal social media campaigns e.g. Christmas recycling, Easter food waste recycling, Garden Waste subscriptions for mother's day, pumpkin recycling and composting.
- Clothes / textiles – donations, buying second hand, mending over replacing.
- Food waste handling – video of operatives at work.
- Promotion of additional recycling bins.
- Promote Shop Local campaign to reduce waste and carbon associated with buying online.
- Good news stories to celebrate staff in the waste service – externally and internally.

## 6. Examples of waste and recycling comms and engagement in 2021





### How to use your Food Waste Caddy

- 1 Line your indoor caddy with a corn starch compostable liner or newspaper. Do not use plastic bags.
- 2 Place full liner into your outside food waste container.
- 3 Place your container with the handle up next to your refuse for collection.

Request food waste containers and compostable liners at [lewes-eastbourne.gov.uk/food-waste-recycling](http://lewes-eastbourne.gov.uk/food-waste-recycling)

### Subscribe to our Garden Waste Service

**Yes please:**

- Grass cuttings
- Hedge trimmings
- Herbivorous pet bedding
- Leaves
- Roots
- Shrub and flower cuttings
- Small branches (max diameter 10cm / 4")
- Weeds

**No thanks:**

- All Plastics
- Cat litter and dog waste
- DIY, building and fencing wood
- Food waste
- Japanese knotweed
- Nappies
- Paper and cardboard
- Soil and rubble

To join our garden waste service visit [lewes-eastbourne.gov.uk/gardenwaste](http://lewes-eastbourne.gov.uk/gardenwaste)

**Collected Fortnightly**

### Helping Lewes District waste less and recycle more

Recycling

What can I put in my bins?

Refuse

Food Waste

Garden Waste

All bins need to be out by 6am on collection day at the front edge of your property

CUSTOMER FIRST

**Closing Date**  
Closing date for Renewals  
19 March

**PERMIT**  
Lewes-Eastbourne.gov.uk/gardenwaste  
2021/22  
ENVIRONMENT FIRST

**PERMIT**  
Lewes-Eastbourne.gov.uk/gardenwaste  
2021/22  
ENVIRONMENT FIRST

**APRIL 1**  
Collections begin  
1 April

## Easter, May and Spring Bank Holiday Collections

**Refuse and Food Waste Collections**

Normal Collection Day	Revised Collection Day
Monday 29th March	→ No change to collection day
Tuesday 30th March	→ Monday 29th March *
Wednesday 31st March	→ Tuesday 30th March *
Thursday 1st April	→ Wednesday 31st March *
Friday 2nd April	→ Thursday 1st April
Monday 5th April	→ Tuesday 6th April
Tuesday 6th April	→ Wednesday 7th April
Wednesday 7th April	→ Thursday 8th April
Thursday 8th April	→ Friday 9th April
Friday 9th April	→ Saturday 10th April

\* If your bin is not collected leave it out for collection the following day.

Monday 3rd May	→ Tuesday 4th May
Tuesday 4th May	→ Wednesday 5th May
Wednesday 5th May	→ Thursday 6th May
Thursday 6th May	→ Friday 7th May
Friday 7th May	→ Saturday 8th May

Monday 31st May	→ Tuesday 1st June
Tuesday 1st June	→ Wednesday 2nd June
Wednesday 2nd June	→ Thursday 3rd June
Thursday 3rd June	→ Friday 4th June
Friday 4th June	→ Saturday 5th June

For Recycling & Garden Waste Collection dates refer to your calendar or download [lewes-eastbourne.gov.uk/bins-waste-and-recycling](https://www.lewes-eastbourne.gov.uk/bins-waste-and-recycling)

**ENVIRONMENT FIRST**  
Lewes District Council

## Christmas Refuse and Food Waste Collections

Please keep this flyer with the Easter dates on the reverse

Normal Collection Day	Revised Collection Day
Monday 21st Dec	→ Saturday 19th Dec
Tuesday 22nd Dec	→ Monday 21st Dec
Wednesday 23rd Dec	→ Tuesday 22nd Dec
Thursday 24th Dec	→ Wednesday 23rd Dec
Friday 25th Dec	→ Thursday 24th Dec
25th-28th December	→ No collections

Monday 28th Dec	→ Tuesday 29th Dec
Tuesday 29th Dec	→ Wednesday 30th Dec
Wednesday 30th Dec	→ Thursday 31st Dec
Thursday 31st Dec	→ Sat 2nd January
Friday 1st January	→ Mon 4th Jan

Mon 4th Jan	→ Tuesday 5th Jan
Tuesday 5th Jan	→ Wednesday 6th Jan
Wednesday 6th Jan	→ Thursday 7th Jan
Thursday 7th Jan	→ Friday 8th Jan
Friday 8th January	→ Saturday 9th Jan

For Recycling & Garden Waste Collection dates refer to your calendar or download [lewes-eastbourne.gov.uk/bins-waste-and-recycling](https://www.lewes-eastbourne.gov.uk/bins-waste-and-recycling)

Environment First is the new name for our waste, recycling and street cleaning services and reflects our priorities of protecting the environment and reducing carbon emissions

**ENVIRONMENT FIRST**  
Lewes District Council

Fly-tipping  
is a  
**crime**



You could face a  
**£50,000 fine or up to  
12 months in prison.**



**REPORT IT to SORT IT** ✓

**Report It** is the quickest way to report environmental problems to the council. Download the app for Android from the Play Store or for iPhone from the App Store. To find out more visit [lewes-eastbourne/Report-It](http://lewes-eastbourne/Report-It)

**NEIGHBOURHOOD FIRST**

*Filling your  
recycling bin  
too soon?*

**Order an extra one for free**

You can request an additional 140 litre or 240 litre recycling bin any time via our website.

Get started at [lewes-eastbourne.gov.uk/bins](http://lewes-eastbourne.gov.uk/bins)



Lewes district  
**DOES**  
food recycling

See  
offer on  
reverse



More and more people in  
Lewes district recycle  
their food waste

Get started at  
[lewes-eastbourne.gov.uk/food](http://lewes-eastbourne.gov.uk/food)



**"I DON'T  
HAVE TIME TO  
FIND A BIN"**

**NO MORE RUBBISH EXCUSES**



**KEEP IT  
BIN IT**



**LITTERING FROM YOUR  
VEHICLE CAN NOW LAND  
YOU A FINE OF UP TO £150**



# Waste & Recycling



## Reduce, Reuse, Recycle Bulletin | 18 March 2021

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### A message from Cllr Julie Car, Lead Cabinet Member for Recycling, Waste and Open Spaces

Hello and welcome to this first edition of our new fortnightly **'Reduce, Reuse and Recycle Bulletin'** which we are launching today to mark Global Recycling Day 2021.

These bulletins will include things like council news about our waste and recycling services, tips and advice on wasting less and recycling more.

We will also use these to remind you of changes to bin collections around bank holidays, give updates on our work to tackle littering, fly-tipping and other environmental crime, and share news about initiatives in our parks and open spaces such as tree and wildflower planting.

We hope you enjoy this first bulletin but if you decide it's not for you, you can unsubscribe using the link at the bottom of this email.

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### Today's top tips

1. Ever need to recycle unopened glass, plastic or metal food packaging? Remember to **open and empty the contents before recycling**. As with all food packaging, please wash and squash before popping in your recycling bin!
2. Have you tried our **Report It** app? It's the quickest way to report environmental issues when you're out and about such as littering, fly-tipping, a public bin that needs to be emptied, graffiti and much more. Download at [lewes-eastbourne.gov.uk/Report-It](https://lewes-eastbourne.gov.uk/Report-It)
3. Considering **home composting** for your food and garden waste? Lewes district residents can get a discounted price on compost bins, food waste

digesters or water butts via: [East Sussex County Council - composting at home](#)

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## Check your next bin collection day



Unsure of when your next bin collection will be?

You can find out via our website any time at:

[lewes-eastbourne.gov.uk/bins-waste-and-recycling/when-is-my-bin-collection-day](http://lewes-eastbourne.gov.uk/bins-waste-and-recycling/when-is-my-bin-collection-day)

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## Global Recycling Day 2021

Every year, the Earth yields billions of tons of natural resources and at some point, in the not too distant future, it will run out.

That's why we must think again about what we throw away – seeing not waste, but opportunity.

The last decade has been the hottest on record, and we are now facing a climate emergency of unparalleled proportions. If we don't make significant and rapid changes, we will see continued rising global temperatures, the melting of icecaps, continents on fire and rapid deforestation.



Recycling is a key part of the circular economy, helping to protect our natural resources. Each year the 'Seventh Resource' (recyclables) saves over 700 million tonnes in CO2 emissions and this is projected to increase to 1 billion tons by 2030.

There is no doubt recycling is on the front line in the war to save the future of our planet and humanity.

Learn more about Global Recycling Day at [www.globalrecyclingday.com](http://www.globalrecyclingday.com)

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## How long does plastic take to decompose?

The World Wildlife Fund has shared this infographic showing how long certain plastics take to decompose.



This illustrates just how important it is to reduce the amount of plastic packaging we buy and to recycle as much as possible.

For example, recycling one plastic bottle saves enough energy to power a 60W light bulb for six hours while it takes 450 years to decompose.



## And finally...

A council review of waste and recycling facilities at every block of flats in Lewes district has led to over 100,000 litres of additional recycling capacity being created.

The Lewes District Council team audited 356 blocks of flats to analyse the number of waste and recycling bins at each location and how effectively and efficiently they were being used.

As a result of the review, redundant refuse bins were removed from various blocks, while the number of recycling bins was increased.

Councillor Julie Carr, Cabinet Member for Recycling and Waste, said: "What a fantastic outcome for the district and a really welcome boost for local recycling. The audit identified council owned and private sector blocks of flats where we could reconfigure the use of bins to maximise recycling and reduce waste.

"In total 154 blocks of flats benefited from additional recycling bins, creating a massive 100,810 litres of additional recycling capacity, the equivalent of 420 wheelie bins!"

Get the full story here: [www.lewes-eastbourne.gov.uk/lewes-district-council-news/huge-boost-for-district-recycling](http://www.lewes-eastbourne.gov.uk/lewes-district-council-news/huge-boost-for-district-recycling)



*“What a fantastic outcome for the district and a really welcome boost for local recycling”.*

**Cllr Julie Carr**  
Lead Cabinet member for recycling, waste and open spaces

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# Agenda Item 7

<b>Report to:</b>	<b>Policy and Performance Advisory Committee</b>
<b>Date:</b>	<b>16 September 2021</b>
<b>Title</b>	<b>Corporate Plan: Achievements and forward look</b>
<b>Exemption:</b>	<b>None</b>
<b>Report of:</b>	<b>Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of Cabinet report:</b>	<b>To consider the Council's progress and performance in respect of key projects and targets for the fourth quarter of the year (Jan-March 2021) as shown in Appendix 1.</b>
<b>Officer recommendations to the Cabinet:</b>	<b>(1) To note progress with the Corporate Plan aspirations and future plans.</b>
<b>Recommendations to the Committee</b>	<b>The recommendations are detailed at 1.3 of this report</b>
<b>Reasons for recommendations to the Committee:</b>	<b>To provide a critical friend challenge to the Cabinet decision and policy making process.</b>
<b>Contact Officer(s):</b>	<b>Name: Nick Peeters Post title: Committee Officer E-mail: <a href="mailto:nick.peeters@lewes-eastbourne.gov.uk">nick.peeters@lewes-eastbourne.gov.uk</a> Telephone number: 01323 415272</b>

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## **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 Appendix**

- Appendix 1 – **Corporate Plan** – Year 1 Achievements.

<b>Report to:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>23 September 2021</b>
<b>Title:</b>	<b>Corporate Plan: Achievements and forward look</b>
<b>Report of:</b>	<b>Ian Fitzpatrick, Deputy Chief Executive/ Director of Regeneration and Planning</b>
<b>Cabinet member:</b>	<b>Councillors Zoe Nicholson, Leader of the Council and Chris Collier, Cabinet member for performance and people</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To consider the Council’s progress with the Corporate Plan 2020-24 aspirations</b>
<b>Decision type:</b>	<b>Non-key</b>
<b>Officer recommendation(s):</b>	<b>To note progress with the Corporate Plan aspirations and future plans</b>
<b>Reasons for recommendations:</b>	<b>To enable Cabinet members to consider specific aspects of the Council’s progress and performance.</b>
<b>Contact Officer(s):</b>	<b>Name: Millie McDevitt Post title: Organisational Effectiveness and Performance Lead E-mail: Millie.McDevitt@lewes-eastbourne.gov.uk Telephone number: 01273 085637 / 01323 415637</b>

## **1 Introduction**

- 1.1 This report sets out the results of a review which has been undertaken of the Council’s four year plan (2020 – 2024) at the end of the first year. The report notes achievements in year 1 as well as providing a forward look to future years of the plan.

## **2 Overview**

- 2.1 The Lewes District Council Corporate Plan ‘Re-imagining Lewes District’ focuses on building a sustainable local economy that retains wealth locally, addresses inequalities and underpins our work to become a carbon net zero authority. Soon after the adoption by Full Council of the Corporate Plan in February 2020, a global pandemic was declared. Despite the district being in lockdown for much of 2020/21, significant progress has been made towards achieving the goals and objectives of the LDC Corporate Plan.

## 2.2 Key Achievements:

The LDC Corporate Plan “Reimagining Lewes District” has three over-arching objectives, as well as making sure that we get our customer services right first time:

- 1) Providing leadership to the district on tackling climate emergency
- 2) Creating sustainable community wealth
- 3) Building homes that you can afford to live

Appendix 1 provides a fuller list of LDC’s achievements with some of those listed below. Elsewhere on this agenda is a housing report.

1. The **Council has delivered £34.1m in support to Lewes District businesses** and supported businesses during the pandemic through the fast-tracked distribution of Government grants to small businesses and launching a dedicated online portal to receive and process applications quickly using automation. The portal continues to be used as the delivery mechanism to deliver the most recent restart grant scheme.
2. Full refuse, street cleaning and recycling waste services continued despite Covid-19. In addition, there was a review of waste and recycling facilities at every block of flats in Lewes district resulting in over 100,000 litres of additional recycling capacity being created.
3. Lewes District Carbon neutral 2030- A comprehensive plan for action/ strategy was produced. Full details of this are available in previous Cabinet reports.
4. Community Wealth building: Launched an ambitious action plan to build local wealth in the Lewes district which will help transform the district into one that retains wealth locally, is more sustainable, greener and brings greater benefits for people living here. Examples of some achievements: procuring a new East Sussex-based social enterprise for the management of Newhaven Enterprise Centre earlier this year; ongoing delivery of the Local Enterprise & Apprenticeship Platform (LEAP) to provide local skills needed to start and grow a business locally and provide advice to existing businesses; creation of "Eatlocal" and "Shopslocal" websites to promote local suppliers, producers and independent retailers with a "MakeLocal" website also underway to support the local creative and manufacturing sectors.
5. Revised the council tax reduction scheme to provide more support for those on low incomes or incurring financial hardship and introduced an ethical debt collection service

- 2.3 **Performance:** Measuring and publishing the performance out-turn of service areas is done throughout the year to ensure transparency and accountability to our local community. 2020-21 has been a year of exceptional performance, despite the Covid-19 pandemic. All service areas very quickly adapted to new operating methods to ensure that residents’ needs and those of others in the Lewes District community were met through delivering services which kept our

staff safe and allowed them to work efficiently, productively and in a Covid-safe way.

### **3 Corporate plan: 2021 onwards**

3.1 The aspirations of the Corporate Plan remain as strong as ever, despite the seismic effects of the global pandemic and the commitment of Lewes District Council to achieve these is unwavering. The appendix provides some information on our plans for the upcoming years. In brief some key actions under the Corporate Plan headings include:

- Working with district residents to increase the percentage of household waste sent for reuse, recycling and composting.
- Continuing with our work around community wealth building including through the implementation of a social value charter which will have direct, visible positive effects around the district.
- Developing energy generation in the district through investing in a solar farm.
- Working in partnership with others in Sussex to decarbonise our social housing.
- New Local Plan
- Prioritising healthy homes and places.

3.2 With any multi-year plan, delivery and implementation of certain activities will need to continue to be kept under review, particularly given the ongoing effects of Covid-19. As has been reported throughout 2020-21, and in line with most local councils, Lewes District Council has suffered financially during the pandemic. Because of this, the exact details of delivery of the corporate plan and timings thereof will continue to be evaluated to ensure that it still remains appropriate and relevant to delivering the needs and requirements of the district's residents, businesses, voluntary and community organisations and other valued members of the community.

### **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 –Corporate Plan- Year 1 achievements





# Lewes District Council

## Corporate Plan 2020-24

*'Re-imagining Lewes District'*


Year 1 achievements and forward look

“Welcome to the review of our plan. You need to read this alongside **our plan** as it provides a review of the progress towards our outcomes and goals to re-imagine Lewes District as a more sustainable and fairer place to live and work. Despite the impact of the pandemic on our community, we have attempted to accelerate our plans to do even better for you, our residents. Below is what is a small sample of what we are most proud of and what we commit to for the next two years. It's not everything, but it is some of our priorities.”

## Your Services

### Getting it right first time

#### Year 1 – 2020/21

- Our annual out-turn on call handling has exceeded previous year.
-  **Average time taken to answer calls:**  
 2019/20: 1 min 40secs    2020/21: **31 secs** (target of 1 min)
- 100,000** litres additional recycling capacity at flats created following council review
- More than **£40,000** of financial support to local groups and food banks
- Revised council tax reduction scheme to provide more support for those on low incomes or incurring financial hardship.
- We got faster at dealing with your housing benefit enquiries through the pandemic, and now the average time to process your claim is 13 days – that's the best performance for 20 years.

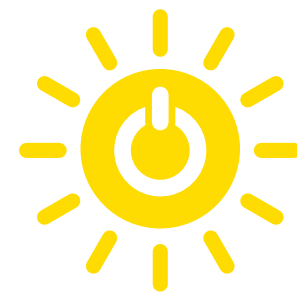
- We delivered £42 million of Covid Business grants and rate relief to business across Lewes District.

#### 2021-2023 plans

- Increase percentage of household waste sent for reuse, recycling and composting – dry, food and green to 48%
- Continuation of targeted customer contact to further improve customer satisfaction and outcomes.
- Improve our waste fleet to achieve our carbon net zero targets
- Put our housing benefit, council tax, taxi licence and business rate system online, taking as much as possible off paper.
- Resource a Green team to meet the challenges of climate change and our commitment to carbon net Zero.



# Sustainability and Climate change



## Year 1 – 2020/21

- Climate change and sustainability strategy launched  
[www.lewes-eastbourne.gov.uk/community/climate-change](http://www.lewes-eastbourne.gov.uk/community/climate-change)
- Joined the Warmer Sussex Project: 16 clients – **86.6 tonnes CO<sup>2</sup> saved**
- Biodiversity strategy launched.
- Planted 40,000 new trees and 415 miles of new hedgerow as part of Sussex Flow in the River Ouse area.
- Banned pesticides already helping wildlife.
- Developed new planning guidance on sustainability, biodiversity, local jobs, and the circular economy.
- Developing a green burial site in the district.

## 2021-23 plans

- Developing energy generation in the district through investing in a Solar farm in the Ouse valley.
- Wildflower expansion across the district.
- Working in partnership with other authorities across Sussex, local businesses and local academic institutions to provide an effective and efficient regional approach to decarbonising council housing.
- A new rain garden at Bell Lane, Lewes, to treat road water runoff from Bell Lane.
- Realign the Cockshut stream to create a new nature area, create new wildlife areas, and find a piece of land to create a new woodland forest, increase wildflower glades where possible.
- Put in place 10 new bike parklets and a zero carbon eCargo Bike delivery pilot.
  - More EV charging points in our car parks.
- Stand up for local residents and green spaces by challenging the government over proposed planning reform.
- Supporting a £2.5 million OUSE Valley CARES partnership delivering climate change projects along the Ouse Valley, Newhaven and Seaford.



# Community Wealth building



## Year 1 – 2020/21

- Ambitious action plan launched to build local wealth in the Lewes district.
- Ongoing delivery of the Local Enterprise & Apprenticeship Platform (LEAP) to provide local skills needed to start and grow a business locally and provide advice to existing businesses.
- Supported Wave Leisure to carry on delivering during the pandemic and ensuring we have excellent quality leisure services in the future.
- Helped enable the re-opening of Newhaven Fort.

## 2021-23 plans

- Implementation of a Social Value Charter to secure Social Value commitments from contracts that will benefit the economic, social and environmental well-being of the area.
- Introduction of new grants prospectus and transparent bidding process.
- Achieve Living Wage accreditation for the council.
- Implementation of Re-imagining Newhaven programme for Newhaven town centre funded by Future High Streets fund (delivery completed by March 2024).
- Begin implementation of our Town Investment Plan for Newhaven (delivery to 2026).
- Delivery of new commercial and community facilities for the former UTC building in Newhaven.
- Retrofit our council homes with other local authorities across Sussex.



# Housing and Development

## Year 1 – 2020/21

- Old Hamsey Lakes development in South Chailey.
- Cutting edge new development in Newhaven - Palmerston House. 13 one and two-bedroom apartments equipped to the highest specification, in terms of standard and desirable features, sustainability credentials and fire safety standards.
- Funding advice services provided by Citizens Advice, Brighton Housing trust and YMCA.
- Being transparent with residents in the development of our new Local Plan while challenging government over planning reform.
- Built, or have in the pipeline to complete, in excess of 140 Councils homes in Lewes, Ringmer, Newhaven and our villages.

## 2021-23 plans

- New Local Plan and associated housing planning policy.
- New Housing strategy.
- Prioritise Healthy homes and places following principles promoted by the Town and Country Planning Association.
- Lobby Government to scrap the system of housing targets allocated by algorithm.
- Monitor the conversion of shops to housing under the new permitted development rights and ensure we take action if they are damaging our high streets.
- Add at least another 60 highly sustainable council homes at social rents to our housing stock.
- Use our ground breaking modular housing framework to support the development of a pipeline of highly sustainable homes.



<b>Report to:</b>	<b>Policy and Performance Advisory Committee</b>
<b>Date:</b>	<b>16 September 2021</b>
<b>Title</b>	<b>Portfolio progress and performance report 2021/22- Quarter 1</b>
<b>Exemption:</b>	<b>None</b>
<b>Report of:</b>	<b>Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of Cabinet report:</b>	<b>To consider the Council's progress and performance in respect of key projects and targets for the fourth quarter of the year (Jan-March 2021) as shown in Appendix 1.</b>
<b>Officer recommendations to the Cabinet:</b>	<b>(1) To note progress and performance for Quarter 1 2021/22</b>
<b>Recommendations to the Committee</b>	<b>The recommendations are detailed at 1.3 of this report</b>
<b>Reasons for recommendations to the Committee:</b>	<b>To provide a critical friend challenge to the Cabinet decision and policy making process.</b>
<b>Contact Officer(s):</b>	<b>Name: Nick Peeters Post title: Committee Officer E-mail: <a href="mailto:nick.peeters@lewes-eastbourne.gov.uk">nick.peeters@lewes-eastbourne.gov.uk</a> Telephone number: 01323 415272</b>

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## **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 Appendix**

- Appendix 1 – **Portfolio progress and performance report Quarter 1 2021/22-** (Q1 Performance report and Key Performance Indicators report).

<b>Report to:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>23 September 2021</b>
<b>Title:</b>	<b>Portfolio progress and performance report 2021/22- quarter 1</b>
<b>Report of:</b>	<b>Ian Fitzpatrick, Deputy Chief Executive/ Director of Regeneration and Planning</b>
<b>Cabinet member:</b>	<b>Councillor Chris Collier, Cabinet member for performance and people</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To consider the Council's progress and performance in respect of service areas for the first quarter of the year (April-June 2021) as shown in Appendix 1.</b>
<b>Decision type:</b>	<b>Non-key</b>
<b>Officer recommendation(s):</b>	<b>To note progress and performance for Quarter 1</b>
<b>Reasons for recommendations:</b>	<b>To enable Cabinet members to consider specific aspects of the Council's progress and performance.</b>
<b>Contact Officer(s):</b>	<b>Name: Millie McDevitt Post title: Organisational Effectiveness and Performance Lead E-mail: Millie.McDevitt@lewes-eastbourne.gov.uk Telephone number: 01273 085637 / 01323 415637</b>

## **1 Introduction**

- 1.1 The Council has an annual cycle for the preparation, implementation and monitoring of its business plans and budgets. This cycle enables us regularly to review the Council's work, and the targets it sets for performance, to ensure these continue to reflect customer needs and Council aspirations.
- 1.2 It is important to monitor and assess progress and performance on a regular basis, to ensure the Council continues to deliver priority outcomes and excellent services to its customers and communities.

## **2 Corporate plan and council policies**

- 2.1 This report sets out the Council's performance in the first quarter of 2021/22 against its aspirations as set out in the Corporate Plan 2020-24.

### **3 Financial appraisal**

- 3.1 Project and performance monitoring and reporting arrangements are contained within existing estimates. Corporate performance information should also be considered alongside the Council's financial update reports (also reported to Cabinet each quarter) as there is a clear link between performance and budgets/resources.

### **4 Legal implications**

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

### **5 Risk management implications**

- 5.1 It is important that corporate performance is monitored regularly otherwise there is a risk that reductions in service levels, or projects falling behind schedule, are not addressed in a timely way.

### **6 Equality analysis**

- 6.1 The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis.









### **7 Appendices**

- Appendix 1 – Portfolio Progress and Performance Report (Quarter 1 2021/22)















## Lewes District Council Portfolio Progress and Performance Report Quarter 1 2021-2022 (April to June 2021)

- **Councillor Zoe Nicholson**, Leader of the Council and Cabinet member for finance and assets
- **Councillor James MacCleary**, Deputy leader of the Council, Chair of Cabinet and Cabinet member for regeneration and prosperity
- **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 2021/22	Q1 2020	Q4 2020	Q1 2021				Latest Note
		Value	Value	Value	Target	Status	Short Trend	
<b>1.(Finance)</b> Maximise amount of Council Tax collected during the year	97.00%	28.48%	96.88%	29.48%	29.20%			The collection rate is 0.28% above target which equates to £231k in financial terms. On the 27th May the first Liability Order Hearing relating mainly to the non-payment of Council Tax for this financial year was held and a total of 907 Liability Orders were issued totalling £914k. Further action is ongoing to recover the sums due if no arrangement to pay has been made or there has been no engagement from the liable person(s). This will be either invoking attachments to benefits or earnings if employment status is known or referral to an Enforcement Agent (bailiff).
<b>2.(Finance)</b> Maximise amount of Business Rates collected during the year	97.50%	27.91%	95.39%	24.05%	27.91%			The collection rate is 3.86% below target which equates to £900k. During the CV-19 pandemic the government changed the rules regarding eligibility for retail discount. In 2020/21 businesses could claim 100% discount for the entire year, however the Chancellor amended the rules in the March budget meaning businesses could only claim 100% relief until 30 June. A further 66% discount could be claimed for the remainder of the financial year capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties including businesses permitted to open at that date. So far 252 businesses have applied and been awarded 66% discount totalling £2m. This has substantially increased the net collectable debit.
<b>3.(Community and Customers)</b> Average number of days to process new claims for housing/council tax benefit	17	15.2	9.1	17.8	17			Performance is slightly behind the more challenging target that was set at 17 days for this year. The 2020/21 target was 22 days. The team are in the process of drawing up a plan to bring performance below the target.
<b>4.(Community and Customers)</b> Average days to process change of circumstances (Housing/Council Tax Benefit)	6.0	6.8	6.1	6.5	6.0			Performance is slightly behind the more challenging target that was set at 6 days for this year. The 2020/21 target was 8 days. The team are in the process of drawing up a plan to bring performance below the target.



KPI Description	Annual Target 2021/22	Q1 2020	Q4 2020	Q1 2021				Latest Note
		Value	Value	Value	Target	Status	Short Trend	
<b>5.(Community and Customers)</b> Increase the percentage of calls to the contact centre answered within 60 seconds	80%	88.78%	79.78%	49.81%	80%			Number of telephone calls: April- 7893 May- 7948 June-9133 # of calls to Coronavirus helpline (Joint with EBC): April- 83 May-22 June-29  Customer contact has seen an increase in demand in this quarter as our receptions, courts and business re-opened after closure through the pandemic, seeing a peak of 9133 calls compared to 7800 the previous quarter, alongside a recruitment campaign for new staff. Despite that our average times to answer calls in the quarter was 150 seconds  The demand and our recruitment campaign has highlighted a need to develop bank staff and we will be holding open days to promote positions that will be suitable to apply for as bank staff, and we are committed to quarter 2 being a much more positive outturn.
<b>6.(Housing)</b> Decrease total number of households living in emergency (nightly paid) accommodation	Data only	45	37	25	Data only			During Q1 there has been a significant reduction of households in emergency accommodation (EA), and at end-June there were 25 households in EA, down 32% compared to end-Q4 2020/21. As reflected in the data, the service has been working tirelessly to reduce the number of households in EA during Q1 and moved 30 households on from EA during this time. During the quarter, our Specialist Advisor (Landlord Liaison) has been finalising our new Landlord Incentive Scheme, which is due to go live in the coming weeks. This scheme includes an offering of a rent guarantor to homeless households, who have often found it challenging to secure rented accommodation without. We have launched a series of self-help guides to enable our customers to better help themselves. These guides are part of our project to redesign the way we deliver our housing advice and assistance service; allowing us to better focus our resources on the most vulnerable. The reshaping of Housing Needs and Standards, as part of the Councils Reshaping Services Programme, is underway and the second version of the consultation pack has been shared with staff. The proposed service structure introduces a new 'accommodation' team to bring all housing options (e.g. private rent and social housing) into a single team to support homeless households. Finally, the council's Accelerating Change Board has approved the implementation of Abtrias (a Civica product) to replace our existing Housing Options Module (Housing CX). Abtrias will provide greater self-service for our customers, automation and overall efficiencies.



## Other Performance Indicators

KPI Description	Annual Target 2021/22	Q1 2020	Q4 2020	Q1 2021			Latest Note	
		Value	Value	Value	Quarterly Target	Status		Short Trend
7. <b>Housing:</b> Decrease average number of days to re-let Council homes (excluding temporary lets)	20.0	8.0	37.4	33.6	20			There have been some delays in this quarter due to material supply shortages and labour shortages, these matters are being addressed and we have changed the contract management of major voids.
8. <b>Housing:</b> DFGs - Time taken from council receiving a fully complete application to the council approving the grant	14 days	4 days	5 days	4 days	14			This performance indicator measures the part of the process that the council has control over. In total, under statutory law DFGs must be processed with 6 months and LDC is currently processing them well within this.
9. <b>Housing:</b> Rent arrears of current tenants (expressed as a percentage of rent debit) (L)	3.5%	5.02%	3.82%	3.98%	3.5%			Rent arrears were at 5.02% in Q1 in 2020 and the team have worked hard to reduce them through the pandemic. Given their successful outcomes, the target was reduced from 4% to 3.5%, despite the economic challenges presented by Covid. There was a slight increase in arrears in Q1 of 0.17% compared to the last quarter and we recognise demand is likely to grow through the year so have an on-going recruitment and training program for this team.
10. <b>People and performance:</b> Number of new sign-ups to the Councils' social media channels	600	403	236	168	150			Q1 has seen slower than average growth in the rate of new followers on twitter and Facebook. Work has been underway in recent months to grow number the LinkedIn and Instagram followers the council has - these will be reflected in future reporting periods.
11. <b>People and performance:</b> Number of people registering for our email service	3000	2,706	5,406	3,318	750			The number of new users registering for our email alert service remains good, as a result of people opting-in to receive our email alerts when registering for a My Account.

KPI Description	Annual Target 2021/22	Q1 2020	Q4 2020	Q1 2021			Latest Note	
		Value	Value	Value	Quarterly Target	Status		Short Trend
<b>12. People and performance:</b> Average days lost per FTE employee due to sickness (J)	<b>8.0 days</b>	1.63 days	<b>1.72 days</b>	1.82 days	2 days			<p>This is the first quarter of reporting average days lost due to sickness for our entire staff group for the period 2021/22. During the period there has been some easing of national Covid restrictions and the roll out of the vaccination programme has been much more accessible to many of our staff, however the majority of staff who are able, continue to work from home. Sickness levels are within target for Q1 with 1.82 days being recorded, this is a slight increase from Q4 which was 1.72 days in Q4.</p> <p>If we remove LDC Waste Services, the Q1 figure reduces to 1.28 days (reduction from Q4) and Waste Services on its own is 5.12 days, which is an increase from 4.25 days in Q4. It is worth noting that Waste Services staff have continued to operate normally during the pandemic.</p> <p>Absences due to Covid-19 for Q4 were 2 (those staff reporting symptoms) which was a decrease from 11 in Q4. No staff have recorded an absence due to Covid-19 Isolation (those staff required to self-isolate as they have been in contact with someone showing symptoms). These relatively small numbers will be largely due to the change in ways of working, including working from home and strict social distancing measures within our buildings. In addition we had a further 17 staff absent due to a reaction to drugs which we believe is related to those staff receiving a vaccination. If we remove these types of absence from our Q1 figure that number reduces to 1.76 days.</p> <p>Although sickness levels remain low, HR Business Partners continue to support managers and staff in managing any attendance issues that arise.</p>
<b>13.Planning:</b> % of appeals allowed against the authority's decision not to grant planning permission (2 year rolling government figures)	<b>10.0% (annual and quarterly data)</b>	100.0%	Major- 3.2% Minor- 1.3%	<b>Major- 3.2%</b> <b>Minor- 1.1%</b>	<b>10.0%</b>			For the Government survey period (24months ending Sept 2019)

KPI Description	Annual Target 2021/22	Q1 2020	Q4 2020	Q1 2021			Latest Note	
		Value	Value	Value	Quarterly Target	Status		Short Trend
								31 decisions on major planning applications taken 1 appeal overturned = 3.2%  1025 decisions made on minor planning applications with 11 appeal overturned = 1.1%
14. <b>Planning:</b> Exceed government targets for the % of major applications determined within 13 weeks - LDC	60%	75%	83.33%	100%	60%			2 applications in this period.
15. <b>Planning:</b> Exceed government targets for the % of minor applications determined within 8 weeks- LDC	70%	83.5%	50.81%	56.31%	70%			Planning departments in councils are experiencing similar pressures to Lewes District council.  There is an improvement over the previous quarter and with the team's efforts in reducing the time taken to validate applications, this percentage should further increase in the coming quarters.
16. <b>Recycling &amp; Waste:</b> KG waste collected per household	Data only	112.9	111.6	115	Data only	Data only		<ul style="list-style-type: none"> <li>• April = 41kgs</li> <li>• May = 38kgs</li> <li>• June= 36kgs</li> <li>• Q1 average: 38.33kgs per HH</li> <li>• Q1 total: 115kgs</li> </ul> <p>This quarter's data suggests that residual waste per household has remained stable compared to the end of the previous year's Q4 for 2020/21 of 115.50kgs.</p> <p><i>N.B. ESCC (as the waste disposal authority) provide the closing data for this calculation which is not yet available. In the meantime, raw data taken from vehicle weighbridge tickets has been used (d-n ÷ number of dwellings).</i></p>

KPI Description	Annual Target 2021/22	Q1 2020	Q4 2020	Q1 2021			Latest Note	
		Value	Value	Value	Quarterly Target	Status		Short Trend
17. <b>Recycling &amp; Waste:</b> Percentage of household waste sent for reuse, recycling and composting	48.00%	43.25%	40.98%	TBC	48%			We await confirmed data for this.  <i>N.B. ESCC (as the waste disposal authority) provide the closing data for this calculation which is not yet available.</i>
18. <b>Recycling &amp; Waste:</b> Total number of reported fly-tipping incidents	180	65	55	64	5			Total number of fly tipping fines in Q1 = 64.  We have successfully installed a camera in the Hollow that has reduced flytipping in this area and we will be installing a second in Ousedale. No evidence was found in any fly tips that have allowed further investigation and potential prosecution.  Full details of fly tipping this quarter are below.  <b>April</b> Between the 1st of April 2021 and the 30th April 2021 there were a total of 26 confirmed fly tipping reports compared with 17 for the same period the previous year. This shows an increase of 9 for the month.  Hotspots <ul style="list-style-type: none"><li>Ouse Valley and Ringmer Ward Ditchling &amp; Westmeston</li></ul> <b>May</b> Between the 1st of May and the 31st of May 2021 there were a total of 16 confirmed fly tipping reports compared with 24 for the same period

KPI Description	Annual Target 2021/22	Q1 2020	Q4 2020	Q1 2021			Latest Note	
		Value	Value	Value	Quarterly Target	Status		Short Trend
								<p>the previous year. This shows a decrease of 8 for the month.</p> <p>Hotspots: Ditchling and Westmeston Ward</p> <p><b>June</b></p> <p>Between the 1st of June 2021 and the 30th of June 2021 there were a total of 22 confirmed fly tipping reports compared with 25 for the same period the previous year. This shows a decrease of 3 for the month.</p> <p>Hotspots: East Saltdean and Telscombe Cliffs Ward</p>
<p><b>19. Sustainability:</b> Air Quality: Number of times nitrogen dioxide levels exceed national air quality objectives (200 µg/m3 hourly mean ave.)</p>	18	0	0	0	0			Non ratified data.



<b>Report to:</b>	<b>Policy and Performance Advisory Committee</b>
<b>Date:</b>	<b>16 September 2021</b>
<b>Title</b>	<b>Finance update – Performance Quarter 1 2021/22</b>
<b>Exemption:</b>	<b>None</b>
<b>Report of:</b>	<b>Homira Javadi, Chief Finance Officer</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of Cabinet report:</b>	<b>To consider the Council’s progress and performance in respect of key projects and targets for the fourth quarter of the year (Jan-March 2021) as shown in Appendix 1.</b>
<b>Officer recommendations to the Cabinet:</b>	<b>1) Note the General Fund, HRA and Collection Fund financial performance for the quarter ended June 2021. 2) Agree the amended capital programme as set out in Appendix 2.</b>
<b>Recommendations to the Committee</b>	<b>The recommendations are detailed at 1.3 of this report</b>
<b>Reasons for recommendations to the Committee:</b>	<b>To provide a critical friend challenge to the Cabinet decision and policy making process.</b>
<b>Contact Officer(s):</b>	<b>Name: Nick Peeters Post title: Committee Officer E-mail: <a href="mailto:nick.peeters@lewes-eastbourne.gov.uk">nick.peeters@lewes-eastbourne.gov.uk</a> Telephone number: 01323 415272</b>

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## **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 Appendix**

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

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>23 September 2021</b>
<b>Subject:</b>	<b>Finance update – Performance Quarter 1 2021/22</b>
<b>Report of:</b>	<b>Homira Javadi, Chief Finance Officer</b>
<b>Cabinet member:</b>	<b>Councillor Zoe Nicholson, Leader of the Council, Cabinet Member for Finance and Assets</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of the report:</b>	<b>To update members on the Council’s financial performance in Quarter 1 2021/22</b>
<b>Decision type:</b>	<b>Non Key</b>
<b>Recommendation:</b>	<p><b>Cabinet is recommended to</b></p> <ol style="list-style-type: none"> <li><b>1. Note the General Fund, HRA and Collection Fund financial performance for the quarter ended June 2021.</b></li> <li><b>2. Agree the amended capital programme as set out in Appendix 2.</b></li> </ol>
<b>Reasons for recommendations:</b>	<b>To enable Cabinet members to consider specific aspects of the Council’s financial performance.</b>
<b>Contact:</b>	<b>Homira Javadi, Chief Finance Officer</b> <b>Tel: 01323 415512 or email</b> <b>Homira.Javadi@lewes-eastbourne.gov.uk</b>

## **1.0 Introduction**

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

## 2.0 General Fund

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

Department	Full Year Budget £'000	Profiled Budget £'000	Actual to 30th June £'000	Variance to date £'000
<b>SUMMARY</b>				
Corporate Services	3,272	731	707	(24)
Service Delivery	7,431	1,430	1,416	(14)
Regeneration, Planning & Assets	595	285	414	129
Tourism & Enterprise Services	445	112	112	0
<b>Total Service Expenditure</b>	<b>11,743</b>	<b>2,558</b>	<b>2,649</b>	<b>91</b>
Contingencies	350	0	0	0
Capital Financing and Interest	1,050	(102)	(102)	0
Income Recovery	(300)	0	0	0
Contributions to/(from) Reserves (Year end transactions)	1,181	0	0	0
<b>Net Expenditure</b>	<b>14,024</b>	<b>2,456</b>	<b>2,547</b>	<b>91</b>
<b>Financing</b>				
Council Tax	(7,998)	(1,999)	(1,999)	0
Business Rates	(4,951)	(1,238)	(1,238)	0
Government Grants	(1,075)	(338)	(436)	(98)
<b>Total Financing</b>	<b>(14,024)</b>	<b>(3,575)</b>	<b>(3,673)</b>	<b>(98)</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>(1,119)</b>	<b>(1,126)</b>	<b>(7)</b>

2.2 The position at the end of June shows a net underspend of £7k. Variances as at 30 June included:

	£000's	£000's
<b>Corporate Services</b>		
IT – operational savings	(24)	(24)
<b>Service Delivery</b>		
Summons cost/liability order – income shortfall	43	
Licensing income shortfall	9	
Green Waste – additional income	(66)	(14)
<b>Regeneration &amp; Planning</b>		
Car parks – reduced income	172	
Investment properties – net reduced income	20	
Development Control – increased income	(34)	
Reduced salary costs	(29)	129
<b>Financing</b>		
Emergency Covid Grant – amount unallocated at Q1	(98)	(98)
<b>Net Variance</b>		<b>(7)</b>

- 2.3 The impact of the pandemic and associated lockdown continues to have an impact on the Council's financial position, in particular on income which is down some £144k at the end of June.
- 2.4 It is still anticipated that the majority of the income losses (mainly relating to car parking) will be recovered through the Government's income recovery scheme. However, the guidance for 2021/22 is still to be issued by MHCLG but is expected soon, therefore a more up to date position will be available for the Q2 monitoring report.
- 2.5 The other main variance relates to the Government's Emergency Covid grant of £494k. At the end of June there has only been direct spend of £26k against the profiled allocation of £124k resulting in a balance of £98k. The grant is unringfenced and not subject to clawback and is provided to cover the direct and indirect financial impact of the Covid-19 pandemic.
- 2.6 The updated Medium Term Financial Strategy report, elsewhere on this agenda, provides the latest full year forecast. This is after allowing for additional Government support and delivery of the Recovery and Reset savings of c.£1m.

The position is primarily dependent upon two key drivers of:

- the R&R savings being achieved; and
- the assumed income recovery.

- 2.7 The position is being monitored closely and updates will continue to be reported to Cabinet.

### 3.0 Housing Revenue Account

- 3.1 HRA performance for the quarter is as follows:

Housing Revenue Account Summary	Current Budget £'000	Profiled Budget £'000	Actual to 30th June £'000	Variance to date £'000
Income	(17,039)	(4,214)	(4,214)	0
Expenditure	14,676	2,190	2,027	(163)
Capital Financing & Interest	2,066	0	0	0
<b>Total HRA</b>	<b>(297)</b>	<b>(2,024)</b>	<b>(2,187)</b>	<b>(163)</b>

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

- 3.2 The position at the end of June shows an underspend of £163K. The main areas of underspend relate to repairs and maintenance (£21k) Supervision & Management and Special Services (£93k), and general running costs (£49k).
- 3.3 A full review of the 30 year Business Plan is due to commence soon and will provide a more comprehensive assessment of the overall position for the current and future years. This will be reported to Members as part of the budget setting process for 2022/23.

#### 4.0 Capital Expenditure

4.1 The detailed capital programme at **Appendix 2**, provides a summary of spend for quarter 1 compared to the allocation for 2021/22.

4.2 The Capital Programme (GF) for 2021/22 totals £51m compared to the original Capital Programme approved by Council 22 February 2021 of £23m. The changes to the Capital Programme are shown in the following table.

<b>Capital Programme Summary (GF)</b>	<b>2021/22 £'000</b>
Original Approved Budget	23,400
Brought forward 2020/21 schemes	27,174
<b>Variations requiring approval</b>	
Parks & Pavilions – funded from S106 income	516
Regeneration – UTC Building, Newhaven (2020/21 spend)	(16)
<b>Current Programme</b>	<b>51,074</b>

#### 5.0 Collection Fund

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

5.2 The Collection fund for the year is as follows:

	<b>Council Tax £'000</b>
<b>Surplus Brought Forward 01 April 2021</b>	<b>(2,049)</b>
Total Collectable Income for year*	(82,690)
Payments to Preceptors	81,166
Write offs, provisions for bad debts and appeals	262
<b>Estimated Balance 31 March 2022 – (Surplus)</b>	<b>(3,311)</b>
Allocated to:	
Government	-
East Sussex County Council	(2,336)
Lewes District Council	(503)
Sussex Police	(325)
East Sussex Fire & Rescue	(147)
	<b>(3,311)</b>

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

- 5.3 The allocation to preceptors reflects the operation of the Collection Fund for Council Tax and Business Rates which are distributed on different bases under regulations. The distributions for the estimated balance calculated at quarter 3 will be made in 2022/23.
- 5.4 Council Tax is showing a surplus of £3.311m for the quarter. The Council's share of which is £503k. The position continues to be monitored on a monthly basis and the final surplus or deficit will be formally set in January 2022.
- 5.5 The Business Rates position is still awaiting completion of the final outturn for 2020/21, therefore it will not possible to provide an update until Q2. The exact surplus or deficit position will again be determined in January 2022.

## **6.0 Financial implications**

As set out in the report.

## **7.0 Legal implications**

None associated with the report.

## **8.0 Risk management implications**

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

## **9.0 Equality analysis**

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

## **10.0 Environmental sustainability implications**

None associated with the report.

## **Appendices**

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

## **Background papers**

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

- Budget monitoring 21/22 working papers

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## Housing Revenue Account 2021/22

	Original Budget £000's	Q1 Budget £000's	Q1 Actual £000's	Variance £000's
<b>INCOME</b>				
Dwelling Rents	(15,177)	(3,794)	(3,794)	0
Non-Dwelling Rents	(461)	(115)	(115)	0
Charges for Services and Facilities	(1,216)	(304)	(304)	0
Contributions towards Expenditure	(185)	0	0	0
<b>GROSS INCOME</b>	<b>(17,039)</b>	<b>(4,214)</b>	<b>(4,214)</b>	<b>0</b>
<b>EXPENDITURE</b>				
Repairs and Maintenance	4,553	1,216	1,195	(21)
Supervision and Management	2,546	637	590	(47)
Special Services	1,389	284	238	(46)
Rents, Rates, Taxes and Other Charges	214	54	4	(49)
Increase in Impairment of Debtors	141	0	0	0
Depreciation of Fixed Assets	5,182	0	0	0
Amortisation of Intangible Assets	3	0	0	0
Debt Management Costs	52	0	0	0
<b>GROSS EXPENDITURE</b>	<b>14,080</b>	<b>2,190</b>	<b>2,027</b>	<b>(163)</b>
<b>NET COST OF HRA SERVICES</b>	<b>(2,959)</b>	<b>(2,023)</b>	<b>(2,186)</b>	<b>(163)</b>
HRA share of Corporate and Democratic Core	596	0	0	0
<b>NET OPERATING COST OF HRA</b>	<b>(2,363)</b>	<b>(2,023)</b>	<b>(2,186)</b>	<b>(163)</b>
<b>Capital Financing and Interest Charges</b>				
Interest Payable	2,070	0	0	0
Interest Receivable	(4)	0	0	0
Revenue Contributions to Capital Expenditure	0	0	0	0
<b>Total Capital Financing and Interest Charges</b>	<b>2,066</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA (SURPLUS) / DEFICIT</b>	<b>(297)</b>	<b>(2,023)</b>	<b>(2,186)</b>	<b>(163)</b>

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**THE CAPITAL PROGRAMME 2021/2022**

**Appendix 2**

Line	SUMMARY	Original Programme 2021/22	Brought Forward 2020/21	Variations Awaiting Approval	Proposed Programme 2021/22	Q1 Expenditure 2021/22	Q1 Variance 2021/22
	<b>GENERAL FUND NON HOUSING CAPITAL PROGRAMME</b>						
1	Recovery and Reset						
2	Recovery and Reset	555,000	118,464	-	673,464	-	(673,464)
3	<b>TOTAL Recovery and Reset</b>	<b>555,000</b>	<b>118,464</b>	<b>-</b>	<b>673,464</b>	<b>-</b>	<b>(673,464)</b>
4	<b>Regeneration</b>						
5	Commercial Property Acquisition and Development	1,500,000	981,438	-	2,481,438	-	(2,481,438)
6	North Street Quarter, Lewes	3,500,000	1,933,618	-	5,433,618	55,381	(5,378,237)
7	Springman House, Lewes	300,000	-	-	300,000	-	(300,000)
34	Construction of Avis Way Depot, Newhaven	2,327,000	2,590,797	-	4,917,797	158,655	(4,759,142)
35	Seaford Health Hub	-	18,465,471	-	18,465,471	-	(18,465,471)
36	Newhaven Square Co-Op (Demolition)	500,000	-	-	500,000	-	(500,000)
37	Town Centre & Public Realm Improvements	250,000	-	-	250,000	-	(250,000)
38	Newhaven High Street	4,000,000	-	-	4,000,000	-	(4,000,000)
39	The Sidings, Railway Quay, Newhaven	520,000	-	-	520,000	614,424	94,424
40	UTC Building, Newhaven	1,800,000	-	(15,912)	1,784,088	-	(1,784,088)
41	Caburn House, Lewes	270,000	174,817	-	444,817	672	(444,145)
42	Asset Development Newhaven	1,000,000	1,366,578	-	2,366,578	-	(2,366,578)
43	<b>TOTAL REGENERATION</b>	<b>15,967,000</b>	<b>25,512,719</b>	<b>(15,912)</b>	<b>41,463,807</b>	<b>829,132</b>	<b>(40,634,675)</b>
44	<b>Asset Management</b>	400,000	200,322	(50,000)	550,322	-	(550,322)
45	Asset Management Aggregated	180,000	638,238	50,000	868,238	277,007	(591,231)
46	<b>TOTAL ASSET MANAGEMENT</b>	<b>580,000</b>	<b>838,560</b>	<b>-</b>	<b>1,418,560</b>	<b>277,007</b>	<b>(1,141,553)</b>
47	<b>INDOOR LEISURE FACILITES</b>						
48	Indoor Leisure Facilities (Major Repairs and Improvements)	1,095,000	91,000	(24,000)	1,162,000	68,996	(1,093,004)
49	Downs Leisure Centre (Fire Alarm)			24,000	24,000	-	(24,000)
50	<b>TOTAL INDOOR LEISURE FACILITES</b>	<b>1,095,000</b>	<b>91,000</b>	<b>-</b>	<b>1,186,000</b>	<b>68,996</b>	<b>(1,093,004)</b>
51	<b>Energy Schemes</b>						
52	Local Energy Schemes	3,000,000	-	-	3,000,000	-	(3,000,000)
53	<b>Total Energy Schemes</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>(3,000,000)</b>
54	<b>Community Infrastructure</b>	889,600	-	-	889,600	37,261	(852,339)
55	<b>TOTAL COMMUNITY INFRASTRUCTURE</b>	<b>889,600</b>	<b>-</b>	<b>-</b>	<b>889,600</b>	<b>37,261</b>	<b>(852,339)</b>
56	<b>Service Delivery</b>	227,000	41,041	-	268,041	57,400	(210,641)
57	<b>TOTAL SERVICE DELIVERY</b>	<b>227,000</b>	<b>41,041</b>	<b>-</b>	<b>268,041</b>	<b>57,400</b>	<b>(210,641)</b>
58	<b>Specialist</b>	136,000	-	-	136,000	32,174	(103,826)
59	<b>TOTAL SPECIALIST</b>	<b>136,000</b>	<b>-</b>	<b>-</b>	<b>136,000</b>	<b>32,174</b>	<b>(103,826)</b>
60	<b>Coastal Defence Works</b>	300,000	94,280	-	394,280	-	(394,280)
61	<b>TOTAL COASTAL DEFENCE WORKS</b>	<b>300,000</b>	<b>94,280</b>	<b>-</b>	<b>394,280</b>	<b>-</b>	<b>(394,280)</b>
62	<b>Parks, Pavilions etc. - Remedial works</b>	150,000	200,938	515,860	866,798	5,563	(861,235)
63	<b>TOTAL PARKS, PAVILIONS, ETC. - REMEDIAL WORKS</b>	<b>150,000</b>	<b>200,938</b>	<b>515,860</b>	<b>866,798</b>	<b>5,563</b>	<b>(861,235)</b>
64	<b>Open Spaces</b>	300,000	-	-	300,000	-	(300,000)
65	<b>Information Technology (IT)</b>	150,000	148,426	-	298,426	44,811	(253,615)
66	<b>TOTAL INFORMATION TECHNOLOGY (IT)</b>	<b>150,000</b>	<b>148,426</b>	<b>-</b>	<b>298,426</b>	<b>44,811</b>	<b>(253,615)</b>
67	<b>Finance Transformation</b>	50,000	129,310	-	179,310	1,700	(177,610)
68	<b>TOTAL FINANCE TRANSFORMATION</b>	<b>50,000</b>	<b>129,310</b>	<b>-</b>	<b>179,310</b>	<b>1,700</b>	<b>(177,610)</b>
69	<b>TOTAL GENERAL FUND NON HOUSING CAPITAL PROGRAMME</b>	<b>23,399,600</b>	<b>27,174,738</b>	<b>499,948</b>	<b>51,074,286</b>	<b>1,354,044</b>	<b>(49,396,242)</b>
70	<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>	<b>23,399,600</b>	<b>27,174,738</b>	<b>499,948</b>	<b>51,074,286</b>	<b>1,354,044</b>	<b>(49,396,242)</b>

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<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>23 September 2021</b>
<b>Subject:</b>	<b>Medium term financial strategy</b>
<b>Report Of:</b>	<b>Homira Javadi, Chief Finance Officer</b>
<b>Cabinet member</b>	<b>Councillor Zoe Nicholson, Leader of the Council, Cabinet Member for Finance and Assets</b>
<b>Ward(s)</b>	<b>All</b>
<b>Purpose</b>	<b>To provide an update on the process and approach to the Council's Medium Term Financial Strategy for the period 2021/22 to 2024/25.</b>
<b>Decision Type:</b>	<b>Key Decision</b>
<b>Officer Recommendation(s):</b>	<b>To note the background to the Medium Term Financial Strategy for 2022/23 and approve the approach outlined in this report.</b>
<b>Reason for recommendations:</b>	<b>To progress the Medium Term Financial Strategy process and update Cabinet on the background to this.</b>
<b>Contact:</b>	<b>Homira Javadi, Chief Finance Officer E-mail address: Homira.Javadi@lewes-eastbourne.gov.uk</b>

## **1.0 Introduction**

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. This report outlines the proposed process for the MTFS for the period 2021/22 to 2024/25, which ultimately leads to the setting of the Council's budget in February 2022.
- 1.2 The Council approved its Medium Term Financial Strategy (MTFS) in September 2020 and the Cabinet recommended a resulting draft 2021/22 budget proposal in February 2021 following the service and financial planning process. The Council's updated MTFS is included in Appendix A of this report.
- 1.3 To ensure Members have a sound basis for planning and decision making, the MTFS this year will be reviewed and updated at the following key points in the year:

- Midyear (this report) – as a series of principles and as a framework for initial detailed budget discussions for the forthcoming financial year:
- December/January – an update to include additional information received at a national level and identified corporate issues, and the detailed budget build; and
- February – with the final Budget for the new financial year.

1.4 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Corporate Plan, over the medium term.

1.5 The vision of the Lewes business plan is to be “*committed to providing value for money for our residents and keeping Council tax levels as low as possible, despite the challenging financial climate.*”

1.6 The key underlying principles of the MTFS are:

- securing a balanced budget and setting modest increases in Council tax when appropriate;
- delivering service efficiencies and generating additional income where there are opportunities to do so;
- ensuring that the council maintains sufficient reserves and contingencies to be resilient to manage the increased level of risks associated with a more commercial agenda.

## **2.0 MTFS Review Areas – Economic Picture, Public Finances, and Core Funding**

2.1 The Council’s MTFS is shaped by the national economic background, affecting the costs the Council incurs, the funding it receives, and demand for services. The following external factors will be analysed in undertaking the mid-year review of the MTFS:

- National and local economic outlook, including the impact of Covid-19 and Brexit
- Inflation
- Interest rates
- Public Sector Pay
- Factors affecting demand-led services

2.2 The national Public Finances position directly affects the Council’s Core Funding – consisting of Government Grants, Business Rates, Council Tax and New Homes Bonus (NHB).

- 2.3 The four-year period covered by this MTFS represents one of continuing uncertainty over the on-going impact of Covid-19 on the Council's financial position, in addition to the overall Local Government financing position.
- 2.4 The Government's plans to devolve more responsibilities through the localisation of business rates has been delayed (date to be confirmed), however the detail as to whether councils will be required to take on additional responsibilities remains unclear. The devolution of business rates is intended to be fiscally neutral but how this will work in practice is currently being developed alongside the Fair Funding Review. These changes will bring both risks and opportunities.
- 2.5 Regardless of shorter term uncertainties, the trend is undoubtedly likely to be that the Council will continue to become ever more reliant on internally generated resources and local taxation. This has a positive benefit in that the council is more locally focussed and responds directly to local needs. However, current events have demonstrated how exposed the council can be when it is dependent upon locally generated income. This necessitates the need to have healthy reserves and a strong balance sheet, and to deliver on efficiency savings and income generation.
- 2.6 The draft MTFS at Appendix A provides an initial assessment of the current financial position. It reflects the impact the pandemic is continuing to have on the Council's financial position, in terms of lost income from fees and charges, additional direct costs and the financial support being given by Government.
- 2.7 Projecting the continuing impact is still extremely difficult, however the 2020/21 outturn has enabled a more positive outlook in terms achieving a balanced position and at the same time increasing reserves. In addition, the savings being identified through the Recovery and Reset Programme are exceeding the initial targets. However, savings must be delivered to ensure current projections are achieved.

### **3.0 MTFS Review Areas – Internal Process**

- 3.1 The internal MTFS review process is underway, starting with a root and branch review, challenging current budgets directorate by directorate. 2020/21 outturn data will be reviewed against current 2021/22 budgets, with a view to ascertaining what in-year adjustments and savings could be achieved. In addition, the planned Recovery and Reset savings are being scrutinised to ensure they are going to be delivered in the current and future years.
- 3.2 This review will in particular include consideration of:
- Realistic income projections
  - Fee and charging levels tolerable to the market
  - Service pressures and changes
  - The delivery of existing savings targets
  - Additional achievable savings
- 3.3 In addition, the Capital Programme and its implications and interactions with the budget will be carefully reviewed. Finally, reserve levels will be reviewed and the MTFS and Budget comprehensively risk assessed.

## **4.0 Implications**

### **4.1 Financial**

None arising directly from this report.

### **4.2 Legal**

None arising directly from this report.

### **4.3 Risk Management implications**

None arising directly from this report.

A full risk assessment will be provided as part of the mid-year MTFS to be reported to Cabinet later in the year.

### **4.4 Equality Analysis**

The equality implication of any individual decisions relating to the projects/services reviewed as part of the MTFS will be in other relevant Council reports.

## **5.0 Conclusion**

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. The MTFS process briefly outlined in this report is intended to support in meeting these challenges and moving to a long-term sustainable position.

## **6.0 Appendices**

### **6.1 Appendix A – Medium Term Financial Strategy 2021/22 – 2024/25**



<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>23 September 2021</b>
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- 2.4 The Government's plans to devolve more responsibilities through the localisation of business rates has been delayed (date to be confirmed), however the detail as to whether councils will be required to take on additional responsibilities remains unclear. The devolution of business rates is intended to be fiscally neutral but how this will work in practice is currently being developed alongside the Fair Funding Review. These changes will bring both risks and opportunities.
- 2.5 Regardless of shorter term uncertainties, the trend is undoubtedly likely to be that the Council will continue to become ever more reliant on internally generated resources and local taxation. This has a positive benefit in that the council is more locally focussed and responds directly to local needs. However, current events have demonstrated how exposed the council can be when it is dependent upon locally generated income. This necessitates the need to have healthy reserves and a strong balance sheet, and to deliver on efficiency savings and income generation.
- 2.6 The draft MTFS at Appendix A provides an initial assessment of the current financial position. It reflects the impact the pandemic is continuing to have on the Council's financial position, in terms of lost income from fees and charges, additional direct costs and the financial support being given by Government.
- 2.7 Projecting the continuing impact is still extremely difficult, however the 2020/21 outturn has enabled a more positive outlook in terms achieving a balanced position and at the same time increasing reserves. In addition, the savings being identified through the Recovery and Reset Programme are exceeding the initial targets. However, savings must be delivered to ensure current projections are achieved.

### **3.0 MTFS Review Areas – Internal Process**

- 3.1 The internal MTFS review process is underway, starting with a root and branch review, challenging current budgets directorate by directorate. 2020/21 outturn data will be reviewed against current 2021/22 budgets, with a view to ascertaining what in-year adjustments and savings could be achieved. In addition, the planned Recovery and Reset savings are being scrutinised to ensure they are going to be delivered in the current and future years.
- 3.2 This review will in particular include consideration of:
- Realistic income projections
  - Fee and charging levels tolerable to the market
  - Service pressures and changes
  - The delivery of existing savings targets
  - Additional achievable savings
- 3.3 In addition, the Capital Programme and its implications and interactions with the budget will be carefully reviewed. Finally, reserve levels will be reviewed and the MTFS and Budget comprehensively risk assessed.

## **4.0 Implications**

### **4.1 Financial**

None arising directly from this report.

### **4.2 Legal**

None arising directly from this report.

### **4.3 Risk Management implications**

None arising directly from this report.

A full risk assessment will be provided as part of the mid-year MTFS to be reported to Cabinet later in the year.

### **4.4 Equality Analysis**

The equality implication of any individual decisions relating to the projects/services reviewed as part of the MTFS will be in other relevant Council reports.

## **5.0 Conclusion**

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. The MTFS process briefly outlined in this report is intended to support in meeting these challenges and moving to a long-term sustainable position.

## **6.0 Appendices**

### **6.1 Appendix A – Medium Term Financial Strategy 2021/22 – 2024/25**



# Lewes District Council

**Medium Term Financial Strategy  
And  
Budget Setting Strategy**

## 1. Introduction

This Medium-Term Financial Strategy (MTFS) is a summary of the Council's key financial information, including the budget challenges over the period 2022/23 to 2024/25 and our approach to addressing them.

It sets out the approach to establishing a sustainable and resilient financial base to support delivery of Council policies and priorities. It also highlights the financial risks and issues which have to be tackled, including ongoing reductions in Government funding.

In September 2020 Cabinet approved the previous version of the MTFS which was based on the objectives of the Corporate Plan. It set out the latest resource projections and estimates of expenditure. This document refreshes and updates MTFS forecasts in anticipation of service & financial planning for 2022/23.

Key changes since the February 2021 budget report include:

- Updated forecast for the assumptions for Recovery and Reset Programme of Savings and additional Income
- Updated forecast for pay, cost inflation and to reflect the outturn position for 2020/21;
- Updated forecasts for council tax and business rates income following confirmation of the measures announced by the Government to mitigate COVID-19 impacts on the collection fund;
- Updated forecast for borrowing costs to reflect the Capital Programme outturn; and
- Updated assumptions on continuation of the additional Government grants awarded in the 2020/21 settlement.

The draft budget report later this year will set out the detailed actions required to deliver a balanced budget for 2022/23 onwards that is consistent with the direction and objectives set out in this MTFS.

## 2. Medium Term Financial Strategy Objectives

The objectives of this MTFS are to help us:

- Provide a robust financial framework to assist decision-making processes;
- Manage council finances within the context of a forward-looking service & financial planning framework;
- Prioritise resources to align spending plans with our vision and strategic objectives and resident priorities;
- Recognise the ongoing funding challenges that will need to be addressed through changes to how services are delivered, realising new sources of income and delivery of cashable budget savings, or a combination of all three;
- Maintain council tax resource levels;
- Maintain a balanced budget and continue to strengthen that position;
- Maintain the General Fund reserve at a minimum of between £3m - £5m to cover significant unforeseen expenditure;
- Maintain Earmarked Revenue Reserves for specific purposes, consistent with achieving our priorities and managing risks. The use of Earmarked Revenue Reserves will be in line with the Reserves Policy at Appendix 1 and will be reviewed annually;

- Help confirm the affordable level of capital investment required to support our strategic and financial priorities while remaining within prudential borrowing and affordability limits;
- Ensure that fees and charges are set at an appropriate level and that they take into account comparative levels of charge and ability to pay, in line with the Policy at Appendix 2;
- Demonstrate probity, prudence and strong financial control;
- Manage financial risks;
- Continually review budgets to ensure resources are targeted on key objectives;
- Continue to improve our approach to commissioning and procurement to ensure value for money for local taxpayers;
- Support new ways to ensure financial sustainability and maximise income to deliver our priorities ;
- Pursue opportunities for securing external funding; and
- Support opportunities for working in collaboration with partners where this will support our priorities and improve service value for money.

### 3. Medium Term Financial Strategy Priorities

In considering future budget projections, it is recognised that there are unknowns which could impact upon forecasts. The MTFS is not a static document but rather one that is constantly evolving as the environment around it changes. Some of the key risks and sensitivities which need to be monitored are set out below.

- **Economic conditions.** The impact of the economic cycle will need to be considered particularly in relation to business growth, inflationary pressures and interest rate movements. The impact of changes and any impact on public finances will need to be fully evaluated on the financial model;
- **Impact of the COVID-19 Pandemic.** The latest assessment of the potential financial impacts for this Council is set out below;
- **Government Finance Legislation.** There are key pieces of Government legislation which will impact upon the future financial position of the Council. In particular the impact of the localisation of business rates and any additional responsibilities will need to be fully evaluated as well as the Governments current Fair Funding Review of local Government finance which has been delayed but it is still due to be introduced at some point in the future;
- **Other Government Legislation.** There are a significant number of political initiatives particularly in relation to localisation and the role of local Government. These will need to be assessed for their relevance to Lewes and the impact on future finances;
- **Buoyancy of Income Streams.** These will be sensitive to changes in consumer confidence and the economy so will need to be closely monitored;
- **Strategic Investments:** The Council is looking to continue to optimise financial returns while at the same time supporting the delivery of housing and regeneration priorities;
- **Commercial Ventures:** The Council will seek to take advantage of commercial opportunities wherever possible to cover costs and to review our fees and charges in order to maximise income in line with corporate objectives.
- **Using Reserves in a sustainable and prudent manner** to support the Council's strategies and priorities. This will be supported by the Reserves Policy which is set out at Appendix 1. It is recognised that reserves can only be used on a 'one off'

basis. However, they can play an important part in supporting initiatives or investments which can deliver future benefits;

- **To maintain the Council's financial standing** it is important that it continues its proactive approach to Service & Financial Planning and ensures that budget plans are deliverable and that investments are focussed on securing our financial health; and
- **To continue to monitor any potential financial impacts of Brexit** following approval of the Withdrawal Agreement Act in January 2020.

#### 4. Medium Term Financial Strategy

##### Context

Service & financial planning takes place within the context of the national economic and public expenditure plans; this MTFs has been formulated within the context of the current UK economic position, continued reductions on local government funding and political uncertainty surrounding the shape of Brexit and the impacts of the COVID-19 pandemic on council finances and the wider economy.

In response to this financial challenge, local government has innovated, streamlined services and increased productivity. The Government's plans to devolve more responsibilities through the localisation of business rates has been delayed (date to be confirmed), however the detail as to whether councils will be required to take on additional responsibilities remains unclear. The devolution of business rates is intended to be fiscally neutral but how this will work in practice is currently being developed alongside the Fair Funding Review. These changes will bring both risks and opportunities.

##### The Economy and Public Spending

There is now considerable uncertainty in financial and economic forecasts. In June 2021 the Office for National Statistics (ONS) reported

- The UK economy, measured by gross domestic product (GDP), is estimated to have contracted by 1.6% in Quarter 1 (Jan to Mar) 2021. The level of GDP in the UK is 8.8% below pre-pandemic levels at the end of 2019.
- Output, the total value of goods and services produced, fell by 2.1% in the services sector in Quarter 1 2021, compared with Quarter 4 (Oct to Dec) 2019. The largest contributors to this fall were from the education, wholesale and retail trade, and accommodation and food services industries, especially at the beginning of the quarter, in response to the tightening of coronavirus (COVID-19) restrictions.
- The national lockdown in January 2021 meant schools switched to remote learning while pubs and restaurants had to offer takeaway only. This resulted in the 14.7% fall in education output and 18.6% fall in accommodation and food services output in Quarter 1 2021.
- In contrast, the health industry experienced an increase in output in Quarter 1 2021, reflecting the inclusion of the impact of the NHS Test and Trace service and coronavirus vaccination programme.
- In May 2021, the public sector spent more than it received in taxes and other income requiring it to borrow £24.3 billion, the second-highest May borrowing on record.
- The public sector is still borrowing a substantial amount to support the economy. While May's borrowing was only around a half of that in May last year, it was still more than four times that of May 2019.
- Central government receipts were estimated to have increased by £7.5 billion in May 2021 compared with May 2020, reaching £56.9 billion. Of these receipts, taxes were



£41.4 billion, £6.0 billion more than in May last year and broadly in line with those of May 2019.

- Central government bodies were estimated to have spent £75.6 billion on day-to-day activities (referred to as current expenditure) in May 2021, £10.6 billion less than a year earlier but £17.3 billion more than in May 2019. Of this, the cost of the government's coronavirus job support schemes in May, scheduled to close in September 2021, was £5.2 billion, £11.7 billion less than a year earlier.
- In the financial year ending (FYE) March 2021 (April 2020 to March 2021), the UK public sector borrowed £299.2 billion, reduced by £4.0 billion from April's first provisional estimate but still the highest annual borrowing since records began in FYE March 1946. Official forecasts suggest that borrowing could reach £233.9 billion in FYE March 2022.
- Expressed as a ratio of gross domestic product (GDP), public sector net borrowing in FYE March 2021 was 14.3%, the highest such ratio since the end of World War Two, when it was 15.2% in FYE March 1946.
- The recent substantial increase in borrowing has led to a sharp increase in public sector net debt, which currently stands at 99.2% of GDP, the highest ratio since the 99.5% recorded in March 1962. In July 2021 the Office for Budget Responsibility (OBR) reported:
  - After the second 'once in a century' shock in just two decades, our third Fiscal risks report focuses on three large, and potentially catastrophic, sources of fiscal risks.
  - The pandemic could leave £10 billion per year in spending pressures and long-term economic scars.
  - While unmitigated climate change would spell disaster, the net fiscal costs of moving to net zero emissions by 2050 could be comparatively modest.
  - While interest rates touched historical lows during the pandemic, the public finances are increasingly exposed to future rate rises due to a higher debt stock and a shortening of its effective maturity. In summary they concluded that:
    - Catastrophic risks are real and may have become more frequent;
    - While it is difficult to predict when catastrophic risks will materialise, it is possible to anticipate their effects;
    - There are advantages in preventing or halting a process that involves rapidly escalating costs early;
    - When investing in risk prevention, governments have a tendency to 'fight the last war'; and
    - In the absence of perfect foresight, fiscal space may be the single most valuable risk management tool.

Office for Budget Responsibility, Fiscal Risks Report, July 2021.

### Interest Rates

Bank Rate has remained at 0.1% (July 2021) since it was cut in March 2020. In their June meeting the Monetary Policy Committee voted unanimously to keep interest rates on hold at 0.1% and the stock of sterling non-financial investment-grade corporate bond purchases at £20bn. However, they voted by a majority of 8-1 to maintain the existing programme of UK government bond purchases at £875bn. The Committee does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably.

**TABLE 1:**

FORECAST INTEREST RATES	June 2021	Dec 2021	June 2022	Dec 2022
Forecast Bank Rate	0.10	0.10	0.10	0.10

Source: Link Asset Management June 2021

## Inflation

The annual inflation rate rose to 2.1% in the 12 months to May 2021, up from 1.5% to April and above market forecasts of 1.7%, with the main upwards contributor being clothing, motor fuels, recreational goods and meals & drinks consumed out. This is the first time that the measure has been above the Bank of England's 2% target since July 2019 and the highest figure since that same period. In a recent press release, the Bank of England noted 'financial market measures of inflation expectations suggest that the near-term strength in inflation is expected to be transitory.'

**Table 2: FORECAST INFLATION (CPI)**

FORECAST INFLATION (CPI)	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %
Forecast CPI	1.7	2.3	2.0	1.9	2.0

Source: Link Asset Management June 2021

## Economic Growth

UK GDP grew by 1.5% in the three months April 2021, ending a three-period streak of contractions and in line with market expectations, a preliminary estimate showed. This is the first expansion since the three months to December 2020. The y/y figure rose to 27.6% for April 2021 compared to the 1.4% y/y growth in March 2021.

In the May Monetary Policy Report, the Bank of England revised its GDP growth forecasts upwards for Q2 2021 to 21.5% y/y from 17.6% y/y, but was likewise revised downwards to 7.1% y/y for Q2 2022 from 8.9% y/y.

Impact of COVID-19 The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09.

A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one. The advent of vaccines starting in November 2020, were a game changer.

The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy.

In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen.

Source: Link Asset Management June 2021

## Potential ongoing implications of the COVID-19 pandemic for local government

- It may be harder to collect sums due, for example for council tax and business rates. Despite these increasing pressures, to date our performance on income collection remains relatively strong for council tax, but is behind target for business rates
- Increased demand for services to assist residents falling into hardship;
- Suppliers and contractors being at risk of liquidation, potentially affecting delivery of services;
- Cost inflation pressures may be greater than assumed; and
- Impacts on the Council's supply chain e.g. price increases, impacts on operational delivery of capital schemes, supplier workforce impacts. Local Government Funding The local government sector has been one of the areas hardest hit by the Government's deficit reduction plan.

For Lewes, Government Revenue Support Grant reduced from £2.1m in 2014/15 to nil by 2018/19. Over recent years the framework for local government funding has been subject to a sustained period of change and uncertainty:

- April 2011 – New Homes Bonus introduced
- April 2013 - Business Rates Retention introduced
- October 2015 – 100% BRR and Funding Review announced
- April 2016 – Government and LGA working groups set up and start meeting
- Early 2017 - Call for evidence on Fair Funding and Business Rates Retention consultation
- April 2017 – New Homes Bonus scheme changes
- May 2017 election – Business Rates Retention primary legislation falls; Fair Funding Review to continue
- Summer 2017 – announcement of move to 75% Business Rates Retention; confirmation of new Business Rates Baseline and continuation of Fair Funding Review – all for 2022/23
- July 2018 – new simplified Business Rates Reset first suggested
- December 2018 – no figures beyond 2021/22 available; indications that 'Negative Revenue Support Grant' will result in further funding reductions for councils
- December 2018 – new consultations on Fair Funding Review, Business Rates Retention and confirmation of a full Reset of Business Rates growth
- Spending Round19 – one-year settlement for 2021/22 only
- Spending Review20 (SR20) – delayed to autumn 2020 due to the Government's COVID-19 pandemic response - focussed on prioritising funding to support the ongoing response to the pandemic to:
  - control and suppress the virus;
  - increase support to public services; and
  - support jobs and businesses.
- Provisional Local Government Finance Settlement 2021/22 - published in December 2020. Covers one year only; based on Spending Review20 (SR20) funding levels.

There remains a commitment from the Government to return to multi-year settlements at some point but that is likely to depend on whether COVID-19 continues to have significant impacts on local government finances during 2021/22. The main points are set out below:

- **Council Tax** – the council tax referendum limit is 2% for lower tier authorities; it was confirmed that districts would be allowed to apply the higher of the referendum limit or £5;
- **Business Rates Retention** – the business rates multiplier was frozen for 2021/22 instead of increasing in line with inflation. In light of this, business rates is only assumed to increase by 1% per annum.

However, the Under-Indexing Multiplier Grant has been increased to ensure that local authorities' shares of NNDR income is not impacted;

- **Top Up/Tariff Adjustments** ('Negative RSG') – as in previous years, the Government eliminated the negative RSG impacts;
- **Lower Tier Services Grant** – a new un-ringfenced lower tier services grant of £111m was announced in the Provisional Settlement. The purpose is to ensure that no authority has a total Core Spending Power less than in 2020/21. It is assumed that this will only apply for 2021/22;
- **New Homes Bonus - 2021/22** allocations to be paid with the legacy payments due from previous years (2018/19 and 2019/20 with no legacy payments for the new 2021/22 in-year allocations and no legacy payment was paid for 2020/21. The 'deadweight' of 0.4% was maintained;
- **Rough Sleepers** - £750m, a 60% increase on the previous spending review;
- **Troubled Families Programme** - £165m;
- **£4bn 'levelling up' fund** (UK Shared Prosperity Fund) - local areas can apply directly with the focus on town centre regeneration and culture;
- **Redmond Review of external audit** - £15m allocated to implement the review recommendations (audit fee increases);
- **COVID-19 Funding** – £2.2bn of funding was announced in SR20 to support local government in 2021/22. To include:
  - Hardship Grant – Tranche 5 (£1.55bn) 11 o Local Council Tax Support Grant (£670m) to help fund the expected increase in demand for local council tax support in 2021/22
  - Sales, Fees and Charges compensation scheme (Q1 2021/22 only);
  - Tax Income Guarantee Scheme (£790m estimated) to fund 75% of irrecoverable losses in council tax and business rates (in addition to the 3-year collection fund spreading arrangements).

Recent funding announcements include:

- a further £400 million through the Contain Outbreak Management Fund (COMF) which is now being paid direct to lower tier councils (previously distributed via East Sussex Country Council. This funding is to help local authorities contain local outbreaks, reduce transmission and protect the vulnerable; and
- Restart Grants worth up to £18,000, further Additional Restrictions Grant funding and extension of rates reliefs for businesses.
- Local Government Funding Reform – no papers were published relating to the Review of Relative Needs & Resources (Fair Funding), the Business Rates Reset and the Business Rates fundamental review. The Provisional Settlement confirmed that it remains the Government's intention to implement these reforms in 2022/23 but it remains uncertain whether they will be able to do so under the current circumstances. Consultations and announcements over recent months have covered the following aspects of local government funding:

#### **Fair Funding Review**

- Intended to be introduced in 2021/22, but delayed once more as a consequence of the COVID-19 pandemic. The Review will set new funding baselines and confirm any transitional arrangements:

#### **Business Rates Growth: Reset and 'Alternative' System**

- The Government's stated aim is to balance risk and reward through a system of Resets, Safety Nets, Levies, Tier Splits and Pooling. Also, to simplify the system by

looking again at appeals, while addressing income volatility and introducing more simplification. This too has been put back (new date to be confirmed):

#### **Business Rates Revaluation**

- Delayed by an additional year to 2023 as a consequence of the COVID-19 pandemic:
- In June 2021 the Government launched a consultation on revaluations taking place every three years instead of the current system of every five years:

#### **New Homes Bonus:**

- Alongside the latest single-year allocation for 2021/22 the Government confirmed its intention to make further changes to the system, for example further changes to the methodology based on a reduced funding allocation and/or the allocation of higher amounts to fewer authorities (or lower amounts to many). Further information on the future of New Homes Bonus may be announced as part of Spending Review2:

#### **Specific Grants:**

- There is still an expectation that these will be rolled into the funding system when 75% business rates retention is introduced (date to be confirmed)
- The Tax Income Guarantee and Lower Tier Services Grant were introduced in 2021/22; for the purposes of this report these are assumed to cease in 2022/23:

#### **Negative RSG Grant**

- It has also not yet been confirmed when this will cease. Further information may be announced as part of Spending Review21; for the purposes of this report it is assumed to cease by 2024/25; and

#### **Council Tax:**

- There is a possibility of increased freedoms (primarily for social care precepting authorities). Further information may be announced as part of Spending Review21.

#### **Local Government Funding – Current Position**

The last three-year Spending Review was in 2015, covering the financial years 2016/17, 2017/18 and 2018/9. The anticipated 2018 Spending Review never took place and departmental budgets were instead 'rolled over' into 2019/20, while the Spending Review in 2019 was also cancelled and replaced by an interim Spending Round that set out current spending by departments for one financial year (2021/22) and capital investment plans for two financial years (2021/22 and 2022/23).

Spending Review20 was then delayed from July to November 2020 to enable the Government to remain focused on responding to the COVID-19 pandemic. Spending Review21 is expected in autumn 2021 and there is some speculation that this may be a multi-year settlement, however that is to be confirmed.

In June 2021 the Government launched a consultation which could see business rates revaluations take place every three years instead of the current five. The consultation is part of the fundamental review of business rates which the Treasury now indicated will not conclude in 2021 as previously planned, instead publishing 'preliminary conclusions in the autumn ahead of 'final conclusions' next spring. Between 1990 and 2010, business rates revaluations took place every five years. The 2015 revaluation was postponed until 2017 and in May 2021, the 2021 revaluation was postponed until 2023 to reduce uncertainty for businesses affected by COVID-19. The Treasury argues that making revaluations more frequent would ensure they better reflect changing economic conditions.

#### **Service & Financial Planning:**

Government Funding Assumptions For the purposes of preparing this MTFs and the draft 2022/23 budget the following has been assumed:

- No changes to total local government funding as a result of Spending Review<sup>21</sup>;
- The most far-reaching funding changes will be delayed until at least 2023/24;
- Council taxbase growth of up to 0.5% per annum and council tax increases continue to be capped at a maximum of 1.99% or £5; and a taxbase reduction of 0.5% as a result of increased Council Tax Reduction Scheme cases; and
- Funding from New Homes Bonus to cease after 2022/23 (no new allocations).

## **5. Corporate Plan Priorities - To Be Updated**

The Council's Corporate Plan 2020-2025 sets out our priorities for the five year period, and explains how the Council will focus its resources and deliver services to those living, working and spending time in Lewes. This MTFs has been developed to align with the Plan vision and priorities.

### **Budget - Service and Financial Planning Process**

The priorities that will be taken into account when preparing the draft Budget for 2022/23 are set out below:

- To ensure resources are aligned with the Corporate Plan priorities:
- To address the longer-term financial challenges forecast as a consequence of the COVID-19 pandemic.
- To maintain a balanced budget such that expenditure matches income from council tax, fees and charges, and government and other grants and to maintain that position:
- To set a rate for council tax which maximises income necessary to deliver our strategic objectives while ensuring that Government referendum limits are not exceeded. The percentage increase will be reviewed annually and be approved by Full Council:
- To maximise other income by setting fees and charges, where we have the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write-offs:
- To ensure a long-term sustainable view is taken of our investments and that appropriate risk analyses are used when considering new investments:
- To consider and take advantage of commercial opportunities as they arise to deliver new income streams; and
- To maintain an adequate and prudent level of reserves and regularly review their planned use and allocation to support delivery of our priorities.

### **Value for Money**

The Council will assess and challenge the value for money (economy, efficiency and effectiveness) provided by each service through the service & financial planning process. Information about our performance compared to other councils across a range of published measures is published on the LGA website at <https://lginform.local.gov.uk>.

### **The Revenue Budget**

The Revenue Budget comprises five 'building blocks' as follows:

- Net Cost of Services: These are the direct costs incurred in delivering services through the four Directorates, net of specific income generated by them:
- Central Budgets: These are costs incurred and income received that are not service-specific, e.g. capital financing costs:

- Sources of Funding: These income budgets are general, non-service specific income sources. They include other grant funding from Central Government and our share of Non-Domestic Rate income which includes the continued impact (benefit) of the one-off elimination of 'Negative Revenue Support Grant' that was announced by the Government in September 2019 and has continued in subsequent years pending the outcome of local government funding reforms:
- Council Tax: After the budget requirement has been established for the other blocks then the amount required by this Council from council tax can be calculated; known as the 'Demand on the Collection Fund'; and
- Contributions (to)/from Reserves: This relates to use of Earmarked Revenue Reserves, which have been allocated to fund specific purposes. The impact of the use of Reserves is a reduction in the total income demand on council taxpayers. It also refers to the use of funds from the General Fund Balance to support the annual revenue budget (nil in 2021/22).

## 6. Revenue Budget Outturn 2020/21

In February 2020 the Council set a net Revenue Budget for 2020/21 of £13.996m.

### Service Budgets

The 2020/21 Original Budget for Services approved by Council in February 2020 was £12.076m. At 31 March 2021 the full year outturn was £13.871m against a revised net revenue budget of £13.746m resulting in an overspend of £0.125m (26%). However, this was offset by additional grants of £0.125m resulting in a balanced outturn overall.

The table below summarises the 2020/21 provision outturn reported to Cabinet in July 2021.

**TABLE 3: REVENUE BUDGET OUTTURN AT 31 MARCH 2021**

<b>General Fund</b>	<b>Original Budget</b>	<b>Current Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Corporate Services	5,525	4,646	4,773	127
Service Delivery	9,248	9,682	9,716	34
Regeneration and Planning	904	1,633	1,642	9
Tourism and Enterprise	434	452	602	150
<b>Service Total</b>	<b>16,111</b>	<b>16,413</b>	<b>16,733</b>	<b>320</b>
HRA Services	(4,035)	(4,177)	(4,195)	(18)
<b>Total Net Cost of Services</b>	<b>12,076</b>	<b>12,236</b>	<b>12,538</b>	<b>302</b>
Corporate Efficiency Savings	(1,144)	0	0	0
Cost of Financing & Interest income	1,050	1,050	268	(782)
Contingencies	342	0	0	0
Income Recovery	0	(800)	(726)	74
Adjustments to/(from) Reserves	1,672	1,260	1,061	(199)
Adjustment to/(from) Earmarked Reserves	0	0	730	730
<b>Budget Requirement</b>	<b>13,996</b>	<b>13,746</b>	<b>13,871</b>	<b>125</b>
<b>Financing</b>				
Council Tax	(7,796)	(7,796)	(7,796)	0
Business Rates	(5,417)	(5,167)	(5,191)	(24)
Government Grants	(783)	(783)	(884)	(101)
<b>Total Funding</b>	<b>(13,996)</b>	<b>(13,746)</b>	<b>(13,871)</b>	<b>(125)</b>
<b>Overall Net Position</b>				<b>-</b>

The most significant Service Budget variances for the year are summarised below:

**TABLE 4: MAJOR VARIANCES**

<b>Analysis of Major Variances</b>	<b>Variance £000's</b>
<b>Corporate Services</b>	
Increased pension liability	113
<b>Service Delivery</b>	
Waste & Recycling – additional income & underspending	(122)
Rent Allowances / Rebates / Homelessness – increased bad debt provision/additional costs	1,077
Allocation of Emergency Covid-19 grant – offsetting additional costs in Services Delivery (rent allowances/rebates/homelessness)	(821)
Additional Covid-19 costs relating to Housing Services	41
Private Sector Leasing – reduced void repair costs	(84)
Licensing Act – reduced income	14
Solar Panel Trading Account – net income/reduced spend	(38)
Building Control – reduced income	33
Flood Defences – reduction in capital financing costs	(143)
<b>Regeneration &amp; Planning</b>	
Business Strategy & Performance – reduced marketing spend	(40)
Planning Policy – reduced consultancy/fees	(135)
Planning Fees – reduced development fee income/additional CIL admin fees	35
Corporate Landlord – reduced rental income/business rates	417
Car Parks – reduced income	149
Public Conveniences – reduced running costs	(38)
Facilities Management – reduced operational spend	(344)
Economic Development – reduced specialist fees/contributions	(20)
<b>Tourism &amp; Enterprise</b>	
Newhaven Fort – dangerous structure works	124
Arts Development – additional contributions	20
Leisure Trust – survey fees	25
<b>Capital Financing &amp; Interest</b>	
Increased Interest Income	(222)
Reduced cost of financing	(560)
<b>Reserves</b>	
Adjustment to/(from) Reserves	(199)
New - Transfer to Income Protection	125
New – Transfer to Support Community Grant ( £35k p/a over 3 years)	105
New - Transfer to Capital Financing	500
<b>Financing</b>	
Government Grants/Business Rates Income	(51)
<b>Other Net Variances</b>	39
<b>Overall Net Position</b>	-

The service & financial planning process for 2022/23 will include an assessment of whether any Service budgets require realignment to reflect historic outturn trends.

## 7. COVID-19 Expenditure and Funding

The 2020/21 financial year saw significant challenges with the impact of Covid-19 pandemic and associated lockdown. This has had an impact on the outturn position as a result of



additional emergency spending and losses of income across many service areas. The overall impact against the revised budget, has seen increased net spend of £320K in service areas, however this has been negated by reduced cost of financing and additional interest income totalling £782K. The most significant cost increase related to housing services in terms of benefits and temporary accommodation (£1.077m). However, this was offset to a large degree (£821k) by the emergency Covid-19 government grant.

**TABLE 5: COVID-19 Specific Government Grants**

	<b>£m</b>
Local Authority Compliance and Enforcement	0.061
Hardship Funding – to support council tax benefit claimants	0.816
Local Restrictions Support Grant	0.557
Homelessness Support Grants	0.112
New Burdens Funding – for additional admin costs	0.170
Winter Grant Funding	0.009
Reopening the High Street Safely Grant	0.092
Clinically Extremely Vulnerable Funding	0.021
<b>TOTAL</b>	<b>1.838</b>

The majority of this funding was received direct from the Government, but some came via East Sussex County Council.

The general funding support from Government has comprised:

**TABLE 6: COVID-19 General Government Funding Support**

	<b>£m</b>
Sales, Fees and Charges Compensation Grant – representing c.65% of all losses incurred	0.726
Emergency Grant for general Covid expenditure	1.449
<b>TOTAL</b>	<b>2.175</b>

Overall, the additional demand from housing needs was met from the emergency government grant. The net impact of income losses was minimised as a result of additional income and further reduced expenditure. There were also savings due to the reduced cost of financing the capital programme and additional interest income.

The impact of ongoing under and overspending will be factored into the review of the Medium Term Financial Strategy, which will also take into account the on-going impact of the Covid-19 pandemic and lockdown.

Additional Government COVID-19 funding for 2021/22 includes a confirmed £0.494m grant for general COVID expenditure, and further contribution towards Sales, Fees & Charges losses in quarter one (assumed to be circa £300k).

Looking forward beyond 2021/22 there is still expected to be on-going pressure on housing needs and reduced income generally. Further Government funding is not expected. These factors create a funding gap over the medium term that will need to be met from the Recovery and Reset (R&R) savings.

## 8. Council Tax 2021/22

The referendum cap was confirmed with the Provisional Local Government Funding Settlement Announcement in December 2020, being the higher of 1.99% or £5.00 for district councils. £5 is to this Council's advantage as it yields a higher level of income. This was the approved recommended increase.

The Council Tax increase of £5 increased a Band D charge from £209.53 to £214.53, an increase of less than 10 pence per week. The total income from council tax for this council therefore increased from £7.713m to £7.876m.

As reported to Cabinet in December 2020, the impacts of the forecast increase in the taxbase and reduction in collection performance for 2021/22 was -99.84 Band D equivalent properties, a reduction of 0.27% compared to 2020/21.

### COVID-19 Impacts

As forecast, overall collection rates were lower in 20/21 due to the disruption caused by the pandemic; recovery action through the courts was not possible and Revenues team capacity was reduced due to the competing demands of processing business grants. Nevertheless, recovery performance in comparison to other councils remained strong.

During the year the Government introduced measures to help councils manage disrupted cashflows and to spread the Collection Fund deficit over three years to help offset the financial impacts of reduced income compared to the original budget.

**TABLE 7: ANALYSIS OF COUNCIL TAX BY PRECEPTOR**

Authority	Precept/Demand		2021/22 Band D Council Tax	Change over 2020/21	
	£	%	£	£	%
<b>Lewes District Council:</b>					
Council Tax Requirement (incl Special Expenses*)	7,875,697	9.80%	<b>214.53</b>	5.00	2.39%
Town and Parish Councils	4,343,466	5.40%	<b>118.31</b>	4.27	3.75%
<b>Total Lewes District Council</b>	<b>12,219,163</b>	<b>15.20%</b>	<b>332.84</b>	<b>9.27</b>	<b>6.13%</b>
East Sussex County Council	56,683,870	70.53%	<b>1,544.04</b>	52.02	3.49%
The Police and Crime Commissioner for Sussex	7,889,647	9.82%	<b>214.91</b>	15.00	7.50%
East Sussex Fire Authority	3,576,792	4.45%	<b>97.43</b>	1.90	1.99%
<b>Total</b>	<b>80,369,472</b>	<b>100.00%</b>	<b>2,189.22</b>	<b>78.19</b>	<b>3.70%</b>

*Special Expenses					
LDC Council Tax Requirement	7,875,697	-	214.53	5.00	2.39%
Less Total amount to be charged as Special Expenses	(640,614)	-	(17.45)	-	0.00%
<b>Council Tax to be levied on all LDC taxpayers</b>	<b>7,235,083</b>	<b>-</b>	<b>197.08</b>	<b>5.00</b>	<b>2.60%</b>

### **Local Council Tax Support Scheme**

The Council currently funds c20% of council tax for eligible claimants. This reduction in income is taken into account when the taxbase is calculated as part of budget-setting. No general Government funding is provided; the costs fall on the General Fund.

The Council's Scheme is currently being reviewed and the proposal will be to increase the scheme to 100%. The annual impact of the increase will be approximately £113k. At present, this has not been incorporated into the MTFS projections as it is still subject to the outcome of consultation and approval by Full Council. If approved, in order to maintain a balanced budget, it would require a reduction in the planned contribution to the General Fund Balance currently forecast from 2022/23 onwards.

During 2021/22 the Government provided a one-off grant of £0.816m to help fund the potential additional costs of the scheme due to increased applicants following the pandemic. This is not expected to continue in 2022/23.

### **Council Tax Collection Performance 2020/21**

This Council's collection performance for council tax in 2020/21 was 96.88% (97.34% in 2019/20); Each 1% increase in Council Tax generates £0.079m additional income for this borough. A £5 increase in 2022/23 would yield £0.184m additional income.

## **9. Business Rates (National Non-Domestic Rates)**

In 2013, the Government introduced a scheme through which local authorities retain a proportion of any business rates growth above a set 'baseline'. The purpose was to give authorities a financial incentive to encourage and foster economic growth within their area and to work collaboratively with other authorities and business organisations to achieve that growth.

While this scheme was broadly welcomed by the sector, there remain concerns over the potential volatility of this income stream due to the level of appeals; even a small variation in the overall revenue generated can result in a significant financial impact. Over recent years the Government has been undertaking a review of how business rates will operate going forward and has stated its intentions to achieve 75% localisation of business rates.

The full impact of this cannot be assessed until the details of these changes are released by the Government.

### **Appeals**

Business rate forecasts include an assessment of the likelihood of successful appeals.

### **Business Rates Collection Performance 2020/21**

Collection performance for business rates in 2020/21 was 95.42% (96.51% in 2019/20).

These forecasts take into account the impacts of spreading 2021/22 collection fund losses over three years and the removal of one-off support measures after 2021/22.

### **COVID-19 Impacts**

From the onset of the pandemic local businesses in the retail, hospitality, leisure and nursery sectors were awarded £11.093m in additional business rate relief as part of the Government's support to those parts of the economy that experienced the most significant impacts during lockdown.

As forecast, overall collection rates were lower in 20/21 due to the disruption caused by the pandemic; recovery action through the courts was not possible for several months and

Revenues team capacity was reduced due to the competing demands of processing business grants. Nevertheless, recovery performance in comparison to other councils remained strong.

Spending Review 20 in November 2020 confirmed that the Government planned to fund 75% of business rate and council tax losses for 2020/21. However, it was not until June 2021 that the methodology for the Tax Income Guarantee Scheme to be applied to business rates losses was finally confirmed. This significantly reduced compensation from the scheme for the majority of authorities compared with projections based on the Settlement announcement.

## **10. New Homes Bonus**

The New Homes Bonus was introduced in 2011/12. Authorities are rewarded with a financial bonus, equal to the national average council tax on each additional property built which is paid for a number of years as a non-ring-fenced Government grant. 80% of the Bonus is paid to the district council and 20% to the county council. here is an enhanced payment for new affordable homes.

New Homes Bonus was revised for the 2017/18 financial year with the length of time it is paid reducing from six to five years (for the 2017/18 award) and to four years from 2021/22 onwards. A new 'baseline' of +0.4% growth was also introduced before any Bonus is paid. The retained funds were used by the Government to support authorities with adult social care responsibilities.

The Government originally set out its intention to end New Homes Bonus as part of the Fair Funding Review. The objective is to replace this mechanism with a different means of incentivising and rewarding housing growth. The detail and timing remain unclear due to the delay in the Fair Funding review.

## **11. Revenue Reserves**

The Council holds Reserves to provide protection against financial risks. Our current level of reserves provides a relatively secure financial base; it is important to ensure an appropriate balance between securing the financial position of the Council and investing in delivery of services.

Reserves can be held for four reasons:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies;
- A means of building up funds to meet known or predicted liabilities; and
- A means of setting aside sums for future identified uses and / or investments

There is an opportunity cost of holding reserves in terms of restricting capacity to invest in current service delivery but this is offset by the additional flexibility that reserves provide when manage budget risks and adverse variations.

Our Reserves Policy is set out at Appendix 1 with details of revenue reserve balances held at 31 March 2021 in the following table.

**TABLE 8: REVENUE RESERVES AS AT 31 MARCH 2021**

<b>Reserves Summary</b>	<b>01 April 2020 £000's</b>	<b>Transfers (In) £000's</b>	<b>Transfers /Out £000's</b>	<b>Transfers to Capital £000's</b>	<b>31 March 2021 £000's</b>
Asset Maintenance	(2,200)	0	300	367	(1,533)
Economic Regeneration	(1,666)	(721)	328	0	(2,059)
Managing In-Year Economic Downturn	(296)	0	296	0	0
Revenue Grants & Contributions	(503)	(539)	0	0	(1,042)
Strategic Change	(1,265)	(49)	300	106	(908)
Vehicle & Equipment Replacement	(751)	0	0	191	(560)
Business Rate Equalisation	0	(965)	104	0	(861)
Covid-19	0	(1,800)	1,800	0	0
Income Protection	0	(125)	0	0	(125)
Capital Financing	0	(500)	0	0	(500)
Community Grants	0	(105)	0	0	(105)
<b>Total Earmarked Reserves</b>	<b>(6,681)</b>	<b>(4,804)</b>	<b>3,128</b>	<b>664</b>	<b>(7,693)</b>
General Fund Reserve	(3,425)	(1,000)	885	0	(3,540)
<b>Total Reserves</b>	<b>(10,106)</b>	<b>(5,804)</b>	<b>4,013</b>	<b>664</b>	<b>(11,233)</b>

The level of reserves will be reviewed during the service & financial planning process with the aim of presenting the recommended use of reserves in 2022/23 onwards as part of the Council's budget report. This will include an assessment of the adequacy and allocation of current reserves and the associated risks and opportunities.

### **General Fund Balance**

The General Fund Balance Reserve is held to manage the impact of any unexpected events/emergencies. The Section 151 Officer is required to review the level of the General Fund Balance annually in relation to the overall financial position of the Council. CIPFA guidance on Local Authority Reserves and Balances (2003) and the Local Government Act of 2003 do not recommend a specific value or budget %.

The Council's Section 151 Officer considers the minimum working balance of between £3m-£5m as the minimum level required. This minimum level will be reviewed again as part of 2022/23 service & financial planning.

### **Earmarked Revenue Reserves**

Earmarked Revenue Reserves may be used as part of a planned process to balance the budget in order to avoid short term actions which may not be in the best interests of the Council.

They also allow funds to be set aside for specific purposes, often spanning more than one financial year.

## **Opportunity Cost of Holding Reserves**

The opportunity cost of holding reserves has to be considered. Unused balances are used to either reduce temporary borrowing or are invested to generate income. In measuring the opportunity cost of holding reserves, consideration needs to be taken of the interest earned. The opportunity cost of holding reserves is therefore a judgment whether the 'worth' of expenditure foregone is more than the income generated.

Given the current economic climate it is a balanced judgement as to whether to invest / spend reserves or to retain them.

## **Assessing the Adequacy of Reserves**

The Chartered Institute of Public Finance and Accountancy (CIPFA) state that the Institute 'does not accept a case for introducing a statutory minimum level of reserves, even in exceptional circumstances. It does however confirm that authorities should make their own judgment on such matters, taking into account all relevant local circumstances on the advice of their Chief Finance Officer. The Local Government Act 2003 requires the Chief Finance Officer to formally report on the adequacy of the proposed financial reserves.

To arrive at assessing the adequacy of reserves a number of issues need to be addressed:

- What are the strategic, operational and financial risks facing the Council?
- Does the Council comply with the requirements to ensure that there is an adequate system of internal control?
- Are the key financial assumptions in formulating the Council's budget robust and reasonable?
- Does the Council have adequate financial management and cash flow arrangements?

In addition, there are a number of questions an authority can ask to demonstrate that it is managing its affairs satisfactorily:

- What is the track record of the Council in its budgetary and financial management?
- What is the Council's record regarding council tax collection?
- What is the Council's capacity to manage in-year budgetary pressures?
- What is the strength of the Council's financial reporting?
- What are the procedures to deal with under and overspends during and at the year end?
- In the case of Earmarked Revenue Reserves, will there be expected calls on the reserves that prompted the setting up of the reserves in the first place?

Finally, there is a need to look at the assumptions made in setting the budget, not just for the coming year but also under the MTFS. The budgetary assumptions cover:

- Inflation and interest rate projections;
- Estimate and timings of capital receipts;
- Treatment of planned efficiency savings; and
- Financial risks involved in major funding arrangements.

It is likely that the current allocation of funds to Reserves will have to be reviewed as part of the Council's response to any ongoing financial impacts of the COVID-19 pandemic.

## **12. Medium Term Financial Strategy Forecast 2022/23 onwards**

An early review of Medium-Term Financial Plan budget forecasts has identified a number of new budget pressures that will need to be addressed through service & financial planning in 2022/23 onwards. They include:

- Making budget provision for future pay and pensions increases:
- Budgeting for the costs of approved borrowing to fund planned Capital Programme commitments:
- The impacts on available resources of Government funding reductions in future years, including the Fair Funding Review and Business Rates Reset:
- Revenue and capital budget growth to deliver priorities in the new Corporate Plan – details to be confirmed during service & financial planning; and
- The ongoing financial impacts of the COVID-19 pandemic; for example continued reductions in income forecasts and ongoing pressures in housing needs.

The service & financial planning process will focus on quantifying the impacts of these potential pressures as the details are confirmed; also identifying the new sources of income that are to be delivered to help address them.

The outcome of service & financial planning will be reported in December.

### **Revenue Budget-Setting Assumptions 2022/23**

The following assumptions will be used during service & financial planning over coming months when preparing the draft Budget estimates for 2022/23:

#### **Council Tax**

- To increase by the referendum limit – assumed to be £5 for this report:
- Plus an increase to reflect forecast growth in the taxbase, but offset by a reduction as a result of increased Council Tax Reduction Scheme cases:
- The impacts of local discounts, exemptions and the local council tax support scheme will be taken into account when preparing income forecasts:

#### **Government Funding**

- Fair Funding Review will not take place in 2022/23

#### **Retained Business Rates Income**

- Reset of Business Rates will not take place in 2022/23

#### **Fees & Charges**

- The Council's Fees & Charges Policy is attached at Appendix 2. For budgeting purposes it is assumed that fees and charges will increase in line with the Policy and that all fees and charged will be reviewed to ensure they comply.

#### **Investment Income and Borrowing**

- Investments and borrowing will be forecast in line with forecast balances (reserves) and capital spending plans

#### **Pay Inflation**

- An allowance for a pay award will be included in the draft Budget, in addition to forecast contractual pay increases.
- This provides the option for pay rises but the specific rate of increase will be subject to established consultation processes.

### Employer Pension Costs

- The approach will be consistent with the actions agreed following the latest actuarial review of the East Sussex Local Government Pension Fund at 31 March 2019; the outcome has been profiled into the budget for the three years to 2023/24.
- The 2019 valuation confirmed that the Fund's total assets, which at 31 March 2019 were valued at £3.633m. There was an improvement in the reported funding level from 92% to 107% and a change in the funding deficit from £240m to a surplus of £247m.
- Each employer has a contribution requirement set at the valuation, with the aim of achieving full funding within an agreed time horizon and probability measure, as set out in the Fund's Funding Strategy Statement. Individual employers' contributions for April 2020 to March 2023 have been set in accordance with this requirement.
- For Lewes the employer pension contribution rate is 20.65%, which is based on primary rate of 17.3%, secondary rate of 2.6% and 0.75% relating to the Early Retirement and Voluntary Severance (ERVS) Scheme.
- The next actuarial review will be at 31 March 2022 and any budget implications will be built into budgets for 2024/25 onwards.
- National consultation is currently in progress regarding moving to a four-year revaluation cycle going forward.
- For 2021/22 this budget reflects the outcome of the 2019 Pension Fund Revaluation and the funding options offered to employers by the Fund.
- As part of budget-setting 2021/22 the approved approach was:
  - To maintain the primary employer contribution rate at 17.3% of salaries. This has been factored into the 2021/22 base budget.
  - To pay the secondary employer contribution rate at 2.6%
  - To pay the 0.75% relating to the Early Retirement and Voluntary Severance (ERVS) Scheme.
  - To plan to rebuild the Pensions Reserve ready for the next revaluation in 2022

### Price Inflation

- The general assumption is that services should first seek to cover price inflation from their existing budgets, unless tied contractually to significant cost increases that warrant additional funding. Significant increases would be subject to approval of budget growth through the service & financial planning process

### Forecast Budget Gap

The forecast budget gap over the next three years is set out below. The gap will need to be met from the delivery of the Recovery and Reset Savings. Further details are provided at Appendix 3.

**TABLE 9: MTFS BUDGET GAP**

	<b>2022/23</b> <b>£m</b>	<b>2023/24</b> <b>£m</b>	<b>2024/25</b> <b>£m</b>
<b>INITIAL FORECAST GAP</b>	<b>1.532</b>	<b>1.535</b>	<b>1.525</b>
Less R&R Savings	(1.758)	(2.080)	(2.080)
Contribution to General Fund Balance	0.226	0.545	0.555
<b>Net Balanced Position</b>	<b>-</b>	<b>-</b>	<b>-</b>

The key factors that influence the forecast gap include:



### **Service Expenditure**

- No new significant budget pressures have been identified to date but this will be subject to further review as part of the service & financial planning process.
- Legacy impacts of the COVID-19 pandemic, in particular on service income budgets, will become clearer when the second quarter's budget monitoring position is reported to Cabinet.
- While an estimate for the 2022/23 pay award has been included in modelling this is subject to negotiation and has to be considered in the context of the significant financial challenges faced over the medium term.

Employee costs comprise 25.7% of gross direct expenditure in the 2021/22 budget.

### **Service Generated Income**

- Key income areas for the council are commercial property, car parks, green waste and trade waste. Whilst income has been impacted by the pandemic the MTFS assumes income levels will start to increase over the medium term.

### **Central Budgets**

- Treasury Management costs over the MTFS period are in line and as a consequence of the borrowing requirement to fund the approved Capital programme.

### **Council Tax**

- Council tax setting assumptions are based on a £5 and forecast movements in the taxbase.
- Legacy impacts the COVID-19 pandemic on recovery performance and council tax support demand have not yet been forecast; they will be considered when the taxbase for 2022/23 is prepared in the autumn.

### **National Non Domestic Rate (NNDR)**

- Removal of Negative RSG Grant and the Business Rates reset are forecast to take place in 2024/25; they have the effect of negating the benefit of all forecast business rates growth over the MTFS period.
- Legacy impacts the COVID-19 pandemic on recovery performance have not yet been forecast; they will be considered when the final forecasts for 2022/23 are prepared in the autumn

### **Use of Reserves**

- At present, the draft MTFS does not anticipated any use of the General Fund reserve to balance the budget. In fact, it is projecting annual surpluses. However, this will only be achieved if the savings identified by the Recovery and Reset Programme are delivered. Failure to do so will result in reserves needing to be used to balance future budgets. Therefore, delivery of the R&R savings presents a key risk in ensuring Reserves are maintained at a level appropriate for the Council.

### **Capital Investment Strategy**

The latest Capital Investment Strategy is reported to Cabinet in February 2021 and sets out a framework for funding and investment decisions in respect of capital assets, in the context of our vision and priorities and available financial resources. The Capital Investment Strategy demonstrates that we take capital expenditure and investment decisions in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability.

It sets out the long-term context in which capital expenditure and investment decisions are made and takes into account to both risk and reward and impact on the achievement of priority outcomes.

When setting its capital programme, each authority must have regard to:

- Service objectives – the capital spending plans should be consistent with the Corporate Plan;  
Stewardship of assets – as demonstrated by our asset management planning approach;
- The value for money offered by investment plans – as demonstrated by the appraisal of the options;  
The prudence and sustainability of investment plans – their implications for external borrowing;
- The affordability of capital investment plans – the implications for the council tax; and
- The practicality of capital expenditure plans – whether the forward plan is achievable.

Decisions on the Capital Programme have an impact on the Revenue Budget, in relation to:

- The revenue costs of financing capital, including prudential borrowing; and
- The ongoing running costs and/or income generated by new capital assets such as buildings. Capital investment decisions therefore have implications for the Revenue Budget.

The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within our financial plans and to demonstrate that the capital investment is affordable. Our revenue and capital budgets are integrated with the financial impact of the proposed Capital Programme, being reflected in the Revenue Budget estimates.

The Council will only invest where capital spending plans are affordable, prudent and sustainable. The key constraint on capital investment is the scope to afford the financial implications in terms of acceptable council tax levels. As supported by the Capital Investment Strategy, the Council's capital investment plans over the next 4 years are set out in the Capital Programme.

The efficient and effective use of capital resources, including sound asset management, is fundamental to achieving our long- and medium-term aims and objectives. It is also critical to achieving the delivery of the required savings and income across the Council to secure a balanced budget.

The Council's Capital and Investment Strategy is reviewed and reported to Full Council on an annual basis to reflect the changing needs and priorities of the Council including residents, businesses and places.

### **Medium Term Capital Programme**

While Revenue Budget expenditure is concerned with the day-to-day running of services our Capital Programme is concerned with investment in the assets required to deliver services or delivery new income streams. The Medium-Term Capital Programme sets out how capital resources will be used to achieve our vision and corporate priorities.

The Council must have an affordable Capital Programme; affordability is assessed against business cases taking into account the level of future resources required to support project delivery and ongoing asset maintenance.

The strategic objectives of our Capital Programme can be summarised as follows:

- To maintain a four-year rolling Capital Programme which remains within the approved affordable, sustainable and prudential limits;

- To ensure capital resources are aligned with our strategic vision and corporate priorities by ensuring all schemes are prioritised according to the Council's prioritisation methodology;  
To identify opportunities for investment in new schemes that result in capital growth and/or new revenue income streams;  
To maximise available resources by actively seeking external funding to support Council priorities and disposing of surplus assets; and
- To use internal resources alongside external resources where appropriate to support the Capital Programme and minimise any borrowing costs.
- That decisions on the financing of the capital programme are taken with consideration to the impact on the revenue budget, the treasury management strategy and the investment strategy.

### **Capital Programme 2021/22 to 2025/26**

The Council forecasts its Capital Programme over a 4-year period and the latest position is set out in Appendix 5. This is currently a draft programme and will be reviewed and updated over the coming months as part of the budget process.

### **Capital Programme**

Revenue Budget Implications.

As explained above, with the exception of earmarked s106 funds, the Council no longer has significant capital reserves, therefore, while a small number of schemes will be continued to be funded from capital grants and other contributions, the majority of the approved Capital Programme must be funded through prudential borrowing.

The costs of repaying this borrowing fall on the revenue budget as treasury management costs in Central budgets. Treasury management budgets have been updated to reflect the costs of borrowing for the approved Capital Programme for 2021/22 onwards net of interest on forecast balances and company loan repayments. Details are set out in the Treasury Management Strategy for 2021/22 that was approved in February 2021

### **Budget Uncertainties & Risks**

While the approved budget for 2021/22 is robust, there remain, a number of uncertainties and risks to be addressed over the medium-term which are set out below.

#### **The Economy:**

- There is still uncertainty and a lack of confidence about the future of the economy as consequence of the COVID-19 pandemic and the UK's exit from the European Union;
- Preparations for exit continue and may affect investor confidence, whilst the lower value of the Pound may increase inflationary pressures;
- Any future economic slowdown nationally or globally - could result in lower income (through - for example - reduced discretionary spending or lower than anticipated recycle prices) and increases in demand (benefits and statutory duties such as homelessness); and
- Any reduction in the number of employers in the Borough could also have an impact on our retained Business Rates income.

**Future Government Funding:**

- The outcome of the Fair Funding Review and Business Rates reset along with the end of Negative RSG Grant;
- The end of New Homes Bonus payments over the coming years will have an impact on reserves, but no direct budget impact; and
- The Homelessness Reduction Act requires Councils to provide more support to homeless people and people at risk of becoming homeless.

The Government has committed ring-fenced funding towards this duty but there remains a question mark over the longer term.

**Recovery and Reset Programme:**

- As previously highlighted, part of the Council's financial sustainability plans, the council will also need to deliver the saving identified in the Recovery and Reset Programme. This is critical to bridging the forecast budget gaps going forward after 2021/22.
- The latest update report was presented to Cabinet in July and can be found here: <https://democracy.lewes-eastbourne.gov.uk/documents/s20368/Recovery%20and%20Reset.pdf>
- The savings included in the MTFS reflect the latest position and an updated schedule is included at Appendix 4.

**Corporate Plan:**

- The Corporate Plan sets out the Council's vision and objectives over the medium term and will enable it to target its resources in the most efficient and effective way; and
- The main challenge, as ever, will be balancing our ambitions as a high performing council with our ability to resource those ambitions. The prioritisation of services like Housing Delivery and Environmental Sustainability will place new demands on existing resources. A combination of careful stewardship and an innovative approach to service delivery will be required to ensure that we achieve our goals.

**Budget Risks:**

- Given the uncertainty over future economic conditions and the business rates regime, it is prudent to maintain our capacity to protect services from unforeseen financial pressures. Once used, however, it may prove difficult to replenish reserves; and
- Despite significant improvements in recent years housing need remains a risk as the future economic downturns may increase the demand for additional housing support.

**COVID-19 Pandemic**

- The potential financial risks and uncertainties arising from the COVID-19 pandemic are explained in this MTFS and at Appendix 3.

**MTFS and Budget Monitoring and Review**

The updated MTFS position will be reported as part of the draft Budget report in December. The processes and procedures relating to the monitoring of the Revenue Budget and Capital Programme are set out in the Council's Financial Procedure Rules and supporting guidance.

## **Budget Equalities Impact Assessments**

The annual service & financial planning reports include information about the equality implications of budget proposals. Where new service changes, projects or policies are proposed, equalities impact assessments will be carried out by the responsible officers.

Changes that affect Council staff will be discussed directly with individuals affected and with their representatives.

## **Budget Scrutiny**

The annual draft budget proposals are considered by the Policy and Performance Advisory Committee in November and the conclusions and recommendations of the Committee are reported to the Cabinet for consideration when the final budget proposals are presented to them in February.

## **Consultation**

The MTFS is published on the Council's website.

## **Service & Financial Planning Process and Timetable 2022/23**

As explained above, this MTFS represents an overarching view of our finances and looks to anticipate future demands and pressures so that we can take timely decisions to secure financial sustainability.

The MTFS is supported by a number of key documents which contribute to management of the overall financial position. These are:

Revenue Budget Report Produced on an annual basis – draft in December and final in the following February. It sets out the plan for setting and managing a balanced budget for the following financial year. It is here the detailed decisions on revenue and capital expenditure are presented, including proposed budget savings and growth.

The recommended Budget is supported by operational budget detail that forms the basis for in-year budget monitoring and management.

## **Capital Programme**

Sets out capital expenditure plans over the medium term. This is aligned with the Revenue Budget where it results in costs of borrowing and income streams. Capital Investment Strategy Updated on an annual basis and sets out the framework for investing in capital assets over the medium term.

Objectives:

- Ensure capital expenditure contributes to the achievement of the Council's organisational strategy
- Set a Capital Programme which is affordable and sustainable
- Maximise the use of assets
- Provide a clear framework for decision making and prioritisation relating to capital expenditure
- Establish a corporate approach to the review of asset utilisation Treasury Management Investment Strategy. Sets out the approach to managing the cash available to the Council and how to maximise its value. Also sets out the Council's investment and borrowing arrangements and controls.

## **Reserves Policy**

Sets out the reasons for holding reserves and how they will be used, including financial limits where appropriate. The Policy is attached at Appendix 1.

## **Fees & Charges Policy.**

Sets out a corporate view of the fees and charges levied by the Council for consideration each year. The Policy is attached at Appendix 2.

Annual Council Tax Report approved by Full Council in February each year

## **Service & Financial Planning Objectives**

The objectives for service & financial planning each year are to:

- Help Members determine budget priorities and their timing;
- Forecast the changes in demand for services and match demand with likely resources;
- Assess the likely implications of changes in legislation on resources;
- Model the future costs of alternative policies; and
- Provide a framework for programming activities by individual services.

## **CIPFA Financial Management (FM) Code**

Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code. The CIPFA FM Code was therefore introduced in October 2019 and will be applicable from 1 April 2021.

Work has already been undertaken to review compliance with the Principles and Standards in the Code and to identify any actions required to address any gaps identified. The outcome of the review was reported to the Corporate Management Team in June and progress is now being made to ensure full compliance.

CIPFA explain that reasons for introducing the Code include:

‘... the exceptional financial circumstances faced by local authorities have revealed concerns about fundamental weaknesses in financial management, particularly in relation to organisations that may be unable to maintain services in the future. There is much good practice across the sector, but the failures of a small number threatens stakeholders’ confidence in local government as a whole. Most importantly, the financial failure of just one local authority is one too many because it brings with it a risk to the services on which local people rely....’.

The Code has several components, comprising:

- An introduction explaining how the FM Code applies, a principles-based approach and how it relates to other statutory and good practice guidance on the subject;
- The CIPFA Statement of Principles of Good Financial Management, the benchmarks against which financial management should be judged. CIPFA’s view is that all financial management practices should comply with these principles; and
- The FM Code then translates these principles into financial management standards which will have different practical applications according to the circumstances of each authority and their use should therefore reflect this. The principle of proportionality is embedded within the code, reflecting the non-prescriptive approach adopted by CIPFA.

The Principles focus determining whether, in applying standards of financial management, a local authority is financially sustainable. They cover:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture;
- Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs;
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making;
- Adherence to professional standards is promoted by the leadership team and is evidenced;
- Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection; and
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

### **CIPFA Resilience Index**

As part of the service & financial planning process officers undertake a financial resilience assessment by that considers principally whether the authority has in place a credible plan and planning process that gives confidence that it can deliver a sustainable budget over the medium term. The scope of this assessment includes:

- the authority's current financial position;
- an assessment of its future financial prospects;
- the extent to which the authority has embraced the financial resilience factors set out below;
- the key financial risks facing the authority, drawing on potential future scenarios including 'best' and 'worst' case scenarios – for the environment in which the authority operates and for the services that it provides;
- the use of independent, objective measures wherever possible to assess the risks to the authority's financial resilience and sustainability;
- the authority's understanding of the risks associated with all resources used for service delivery, including its workforce, its physical assets, its strategic business partners (including 'group' entities such as its companies), its information technology infrastructure, etc;
- the robustness of the plans that the authority has put in place to address these risks; and
- the capacity and capability of the authority, its leadership team and its officers to manage the authority's finances in a sustainable manner.

The assessment makes reference to the following:

- Medium-Term Financial Plan;
- Capital Investment Strategy;
- Treasury Management Strategy;
- Planned medium-term use of Reserves;
- the most recent Budget Report;
- approach to the service & financial planning process;
- Budget monitoring reports and out-turn reports and Statement of Accounts;
- Asset Management Plan; and
- Key governance documents, e.g. Annual Governance Statement, Risk Register, etc  
The Council's position at March 2021 against a range of financial measures

compared to similar councils is available online through the CIPFA Financial Resilience Index at <https://www.cipfa.org/services/financial-resilience-index-2021/resilience-index-2021>

## **Conclusion**

This MTFS presents a summary of the key financial processes and policies that help us forecast the likely financial position that Council will be facing over coming years. It is the Council's primary financial planning tool and will form the basis for ongoing discussions throughout service & financial planning for 2022/23.



## RESERVES POLICY

### Introduction

The establishment, monitoring and review of the levels of reserves and balances are an important element of the Council's financial management systems and financial standing. The Chief Finance Officer (Section 151 Officer) is required by law to formally report to the Council their opinion on the adequacy of the Council's reserves. Irrespective of this, a well-managed authority is clear about the reserves it needs now and, in the future, to support its service aspirations, while at the same time delivering value for money within a climate of significant resource pressure and economic/social risk.

This policy is introducing the following steps:

- Stronger budget management and variation control
- Ongoing monthly budget monitoring by budget managers
- Improved business case development and risk assessment, including provision of contingency and exit plans (projects, initiatives etc.)
- Review of reserves on a quarterly basis.

This Policy does not cover non-distributable reserves required to support financial accounting transactions e.g. the Revaluation Reserve, Capital Adjustment Account and Pension Reserve. (Non-distributable reserves are those that cannot be used for revenue or capital purposes.)

Reserves can be held for four reasons:

#### General Fund Balance

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies;

#### Earmarked Reserves

- A means of building up funds to meet known or predicted liabilities; and
- A means of setting aside sums for future identified uses and / or investments

### What are Reserves?

There is no clear definition of reserves even though reference is made to reserves in legislation. The Chartered Institute of Public Finance and Accountancy (CIPFA) states 'amounts set aside for purposes falling outside the definition of provisions should be considered as reserves.' Provisions are required for any liabilities of uncertain timing or amount that have been incurred.

Generally, there are two types of reserves, those that are available to meet revenue or in some cases capital expenditure (Usable) and those that are not available to finance revenue or capital expenditure (Unusable). Useable reserves result from events that have allowed monies to be set aside, surpluses or decisions causing anticipated expenditure to have been postponed or cancelled. They can be spent or earmarked at the discretion of the Council.

The Council must manage its reserves in accordance with its strategic longer-term planning process. Policy principles:

- The General Fund Balance should be kept between £3m - £5m to cover any major unforeseen expenditure;
- The GF balance will be reviewed and monitored as part of the quarterly performance.
- A risk based approach to be embedded in the assessment of required reserves

- Earmarked revenue reserves will be maintained for specific purposes that are consistent with achieving Corporate Plan priorities and/or where they are required to account separately for Government funding streams;
- Reserves must only be used to fund one-off expenditure;
- General Fund Balance must not drop below £3m;
- Recurring expenses may only be funded from reserves if plans are in place to fund the ongoing costs and replenish the reserve within 12 months;
- Unplanned revenue income receipts will be held in a reserve pending future decisions as to their use; and

### **Maintaining a risk based financial resilience**

The Council undertakes a risk-based assessment of its financial plans and the adequacy of its available reserves at least annually and as part of its budget setting process. The need to improve its financial resilience through increasing its unallocated working capital and general unallocated reserve is a key feature of the Council's MTFS process.

### **Use of Reserves**

The S151 Officer will continue to be responsible for approving the use of reserves, which will be reported to Members for approval (where necessary) as part of the quarterly monitoring, budget setting and outturn reports.

September 2021 – Policy to be reviewed annually

### FEES & CHARGES POLICY

The Council's Medium-Term Financial Strategy (MTFS) sets out our financial objectives to support delivery of the Corporate Plan. These plans remain challenging in the context of an uncertain economic future, on-going austerity measures, significant reductions in funding from Government and the move towards more locally-generated income streams.

In the future we will need to be financially more self-sufficient and less reliant on central government funding. Optimising the potential for increased income will be integral to supporting delivery of the MTFS. Seeking opportunities for income generation is a priority for the Council, alongside broader proposals for the trading and commercialisation of some services.

This Fees & Charges Policy outlines the key principles to be considered in charging for Council services in a transparent and consistent manner.

#### Scope

This Policy applies to the setting and reviewing of all fees and charges for Council services, where the Council has discretion to apply a charge and discretion over the level of charge applied.

The Policy excludes:

- Charges that are determined by Central Government;
- Council Tax;
- Business Rates;
- Property rents;
- Any charges where there are legal or contractual reasons for exclusion; and
- Any charges levied by Trading Companies or other third parties delivering services on behalf of the Council.

#### Application

Directorates should refer to this Policy when reviewing current charges or proposing new charges as part of the service & financial planning process for the forthcoming financial year, and for any other in-year consideration of service charging. Understanding the relationship between cost and charges is vital when determining charges for services and support and advice should be sought from the Finance team when applying this Policy.

#### Aims and Objectives

The overarching aim of the Policy is to embed a commercial approach to setting fees and charges. An aim of commercialism is to ensure the Council thinks consistently in a business-like manner and clearly articulates the costs and benefits associated with the activities it carries out.

The objectives of the Fees & Charges Policy are:

- To promote efficiency and support the commercialisation of our business in order to support the MTFS and deliver the Corporate Plan;
- To minimise the draw on local taxpayers of discretionary services and promote fairness by fostering a culture where discretionary services are supported largely by users rather than the council tax payer;

- To set a clear, flexible and equitable framework of standards and procedures for applying charges and fees to relevant Council services for both individuals and organisations. The level of charge will reflect the cost plus a return where this is permissible/appropriate; and
- To meet the aim of being 'business like' through service areas understanding and reviewing the costs and charges for their service areas.

### **Charging and Trading Legislation**

The legislation and case law that governs Councils' ability to charge and generate income is complex. Specific powers to charge for services are contained in a variety of local government statutes.

These include:

- Local Authorities (Goods and Services) Act 1970 – introduced powers for councils to enter into agreement with other Local Authorities and public bodies for the supply of goods and services.

Any agreement may contain such terms as to payment or otherwise as the parties consider appropriate;

- Local Government Act 2003 – added further opportunities to the above. This act enables councils to trade in activities related to their functions on a commercial basis and make a profit, which may be reinvested in services, through a trading company; and
- Localism Act 2011 – the General Power of Competence (GPC) introduced a power to allow councils to do anything that an individual may do.

However, for the purposes of charging, this should not exceed the cost of provision of the service in question, as operating for a commercial purpose (i.e. to make a profit) must be done through a trading company.

### **Standard Charging Principles**

Standard principles will be applied to all fees and charges (within the scope of this Policy) set by the Council. Where a service plans deviate from these principles, the basis and reason for variation will be clearly documented and approved in accordance with the Council's Constitution/scheme of delegation.

Services that have discretion over charging are encouraged to operate more commercially in order to maximise efficiency and reduce dependence on corporate funding support. The ability of services to operate in this way is dependent on services being able to set and amend their charges with a level of flexibility, including consideration of current market rates and demand for the service.

The Policy will also make decision making simpler and more timely. This Policy enables us to apply differential charging, discounting and alternative pricing structures in order to maximise commercial benefit and target service take-up. Individual service areas can vary charge rates on a case by case basis, taking into account relevant market rates and the need to maximise income and operate efficiently.

All fees and charges will:

- Demonstrate how they contribute to the achievement of corporate and service objectives;
  - Maximise potential net income, to achieve financial objectives (i.e after costs of collection and market impacts have been considered), unless there is an explicit policy decision to subsidise a service;
- Be subject to equality impact assessment screening and consultation where appropriate;

- Minimise the costs of collection;
- As a minimum be increased annually from 1 April each year in line with Consumer Price Index (CPI) inflation increases (rate published for the preceding September each year); and
- Be subject to a scheduled review at least every 2 years.

### Charging Models

When introducing or reviewing a charge the Council will follow one of two models:

Charge	Definition	Application
Direct Cost Plus	As a minimum the Council would recover the direct cost of providing the service plus wherever possible, a contribution to overheads. The level of overhead contribution is an operational decision, and will be dependent upon the particular circumstances and objectives.	This allows flexible pricing decisions to take account of external market conditions. For instance, there are circumstances where setting charges at a level more than full cost recovery may be appropriate (e.g. when trading with other local authorities or public bodies the Council is not limited in the amounts it can charge). This charging model also allows charges to be set below full cost recovery to achieve a particular objective – for example entering into a new market or attracting new business. However, in line with the Standard Charging Principles, the aim will always be to recover the full cost of a service over time.
Subsidised	A subsidised charge requires the Council to contribute to the direct cost of the service. Where the Council is not covering the direct costs of the service, it will require a contribution from the Council. All subsidies will be subject to the approval of the Executive.	This model provides the Council with the option to provide a service with full or partial subsidy. The level of subsidy will be determined by reference to the nature of the service and the rationale for any subsidy for example: <ul style="list-style-type: none"> <li>• providing a public good</li> <li>• encouraging service take up</li> <li>• the user group’s ability to pay.</li> </ul> The financial impact of subsidy decisions on the budget will be identified both individually and collectively, and actively managed and reviewed.

### **Authority to Set and Vary Charges**

The decision on charging levels will be based on the relevant charging method:

- full cost recovery,
- direct cost plus or subsidised.

All charging decisions must be made in accordance with the Council's Constitution (Budget and Policy Framework, Scheme of Delegation and Financial Procedure Rules) and be able to demonstrate consistency with our strategic priorities, policies and statutory obligations.

The decision to vary charges for existing chargeable services which are not subsidised is an operational decision, which will be taken by the appropriate Director/Head of Service in consultation with the Chief Finance Officer.

**Policy Review** This Policy will be reviewed periodically, taking into account developing Council policies and priorities and any changes in legislation.

September 2021 – Policy to be reviewed annually

## MEDIUM TERM FINANCIAL STRATEGY - 2022/23 - 2024/25 DRAFT

	2020/21	2020/21R	2020/21A	2021/22	2021/22 R	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Corporate Services</b>								
Corporate Efficiency Savings	-1,144	-844	0	-243	0	0	0	0
IT	1,300	1,371	1,088	1,283	1,283	1,309	1,335	1,362
CMT	376	379	609	351	351	358	365	372
Financial Services	926	456	395	701	701	715	729	744
HR	206	236	177	225	225	230	234	239
Internal Audit/Corporate Fraud	162	162	168	147	147	150	153	156
Local Land Charges	-72	-60	-85	-55	-55	-56	-57	-58
Legal	223	244	205	256	256	261	266	272
Local Democracy	766	731	761	607	607	619	632	644
<b>Corporate Services</b>	<b>2,743</b>	<b>2,675</b>	<b>3,318</b>	<b>3,272</b>	<b>3,515</b>	<b>3,585</b>	<b>3,657</b>	<b>3,730</b>
<b>Service Delivery</b>								
Account Management	248	311	219	251	251	256	261	266
Case Management	482	562	553	484	484	494	504	514
Customer Services	760	760	746	785	785	801	817	833
Head of Customer/Neighbourhood Services	426	425	355	386	386	394	402	410
Head of Homes First	22	30	18	-88	-88	-90	-92	-93
Head of Specialist & Support Services	63	60	34	54	54	55	56	57
Housing Needs and Standards	348	383	376	447	447	456	465	474
Neighbourhood Services	3,543	3,547	3,376	3,387	3,387	3,455	3,524	3,594
Specialist Services	1,004	1,852	1,752	1,725	1,725	1,760	1,795	1,831
<b>Service Delivery</b>	<b>6,896</b>	<b>7,930</b>	<b>7,429</b>	<b>7,431</b>	<b>7,431</b>	<b>7,580</b>	<b>7,731</b>	<b>7,886</b>
<b>Regeneration &amp; Planning</b>								
Business Planning & Performance	618	564	540	534	534	545	556	567
Estates & Property	-514	74	354	-335	-335	-342	-349	-356
Planning	-40	-40	-152	-43	-43	-44	-45	-46
Regeneration	795	581	447	439	439	448	457	466
<b>Regeneration &amp; Planning</b>	<b>859</b>	<b>1,179</b>	<b>1,189</b>	<b>595</b>	<b>595</b>	<b>607</b>	<b>619</b>	<b>631</b>
<b>Tourism &amp; Enterprise</b>								
Tourism & Enterprise	434	452	602	445	445	454	463	472
<b>Tourism &amp; Enterprise</b>	<b>434</b>	<b>452</b>	<b>602</b>	<b>445</b>	<b>445</b>	<b>454</b>	<b>463</b>	<b>472</b>
<b>Net Cost of Services</b>	<b>10,932</b>	<b>12,236</b>	<b>12,538</b>	<b>11,743</b>	<b>11,986</b>	<b>12,226</b>	<b>12,470</b>	<b>12,720</b>
Capital Financing & Interest	1,050	1,050	268	1,050	1,050	1,050	1,050	1,050
Contingencies	342	0	0	350	350	350	350	350
Income Recovery	0	-800	-726	-300	-300	0	0	0
Earmarked Reserves	1,672	1,260	1,791	1,181	1,181	812	828	845
General Fund Balance	0	0	0	0	261	226	545	555
	<b>13,996</b>	<b>13,746</b>	<b>13,871</b>	<b>14,024</b>	<b>14,528</b>	<b>14,664</b>	<b>15,243</b>	<b>15,519</b>
R&R savings	0	0	0	0	-998	-1,758	-2,080	-2,080
<b>NET REVENUE EXPENDITURE</b>	<b>13,996</b>	<b>13,746</b>	<b>13,871</b>	<b>14,024</b>	<b>13,530</b>	<b>12,906</b>	<b>13,163</b>	<b>13,439</b>
<b>Financing:</b>								
Council Tax	-7,713	-7,713	-7,713	-7,876	-7,876	-7,876	-8,060	-8,244
Council Tax Surplus	-83	-83	-83	-122	-122	0	0	0
Baseline increase	0	0	0	0	0	-39	-40	-41
Impact of increase in CTR	0	0	0	0	0	39	40	41
Council Tax Charge Increase	0	0	0	0	0	-184	-184	-184
Business Rates	-5,040	-4,790	-4,397	-3,602	-3,602	-3,674	-3,748	-3,822
Business Rates Surplus	-73	-73	-73	-553	-553	0	0	0
Business Rates - Newhaven Enterprise	-304	-304	-721	-796	-796	-812	-828	-845
Business Rates - Reset	0	0	0	0	0	0	0	?
New Homes Bonus	-439	-439	-439	-141	-141	-16	0	0
Lower Tier Services Grant	0	0	0	-96	-96	0	0	0
Emergency Covid Grant	0	0	0	-494	0	0	0	0
Other Govt Grants	-344	-344	-445	-344	-344	-344	-344	-344
<b>TOTAL FINANCING</b>	<b>-13,996</b>	<b>-13,746</b>	<b>-13,871</b>	<b>-14,024</b>	<b>-13,530</b>	<b>-12,906</b>	<b>-13,164</b>	<b>-13,439</b>
<b>BUDGET SURPLUS (-) / DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## RECOVERY &amp; RESET PROGRAMME SAVINGS

	2021/22 £	2022/23 £
<b>W21</b>		
Southover House	0	150
<b>Digital</b>		
Digital Democracy	0	50
<b>Reshaping Services</b>		
HR reshaping	13	13
IT reshaping	54	54
Contract cleaning	50	100
Homes First reshaping	0	50
Environment First reshaping	50	100
Legal reshaping	0	50
CMT - deletion of post (PE)	20	20
CMT - deletion of EBC post (PF)	10	10
CMT - deletion of post (CK)	61	61
finance reshaping	0	20
additional income (various)	0	100
Facility management savings	0	200
<b>RESHAPING TOTAL</b>	<b>258</b>	<b>778</b>
<b>Best Use of Assets</b>		
Reduced costs/ increased income	40	80
Reduced costs of capital financing	500	500
Income from interest	200	200
<b>ASSETS TOTAL</b>	<b>740</b>	<b>780</b>
<b>TOTAL SAVINGS</b>	<b>998</b>	<b>1,758</b>



## DRAFT CAPITAL PROGRAMME 2021/22 to 2025/26

	Actual Expenditure 2020/21 £000's	Proposed Programme 2021/22 £000's	Proposed Programme 2022/23 £000's	Proposed Programme 2023/24 £000's	Proposed Programme 2024/25 £000's	Proposed Programme 2025/26 £000's
<b>HRA HOUSING INVESTMENT CAPITAL PROGRAMME</b>						
Acquisition and Construction of New Dwellings	6,980	18,812	9,330	4,100	4,100	
Improvements to Stock (Stock Condition Survey)	2,528	4,554	4,662	4,796	4,796	
Improvements to Stock (Non-Stock Condition Survey)	206	415	415	415	415	
Housing Estates Recreation and Play Areas	32	50	50	50	50	
<b>Total HRA Capital Programme</b>	<b>9,746</b>	<b>23,831</b>	<b>14,457</b>	<b>9,361</b>	<b>9,361</b>	
<b>GENERAL FUND CAPITAL PROGRAMME</b>						
Private Sector Housing	607	1,136	1,136	1,135	1,135	
Loans to Housing Companies	1	2,550	-	-	-	
Leisure Loan	500	-	-	-	-	
Service Transformation/Integration Programme	458	-	-	-	-	
Recovery & Reset	132	-	-	-	-	
Recovery & Reset (additional)	-	555	-	-	-	
Regeneration	543	15,967	4,250	1,800	250	
Local Energy Schemes	-	3,000	3,000	4,000	-	
Service Delivery	232	227	227	227	227	
Specialist	135	436	236	236	236	
Information Technology	71	150	150	150	150	
Asset Management	595	2,125	1,230	1,330	1,300	
Community Infrastructure	1,408	890	900	900	900	
Finance Transformation	2	50	-	-	-	
<b>Total General Fund Capital Programme</b>	<b>4,684</b>	<b>27,086</b>	<b>11,129</b>	<b>9,778</b>	<b>4,198</b>	-
<b>Total Capital Programme</b>	<b>14,429</b>	<b>50,917</b>	<b>25,586</b>	<b>19,139</b>	<b>13,559</b>	-

Funding Availability	Actual Expenditure 2020/21 £0	Proposed Programme 2021/22 £0	Proposed Programme 2022/23 £0	Proposed Programme 2023/24 £0	Proposed Programme 2024/25 £0	Proposed Programme 2025/26 £0
<b>HRA</b>						
Capital Receipts	2,458	1,601	2,502	1,443	1,443	
Major Repairs Reserve	2,901	6,428	5,337	5,519	5,519	
Revenue Contributions	184	992	434	726	726	
Borrowing Need	4,202	14,810	6,184	1,673	1,673	
<b>Total HRA</b>	<b>9,746</b>	<b>23,831</b>	<b>14,457</b>	<b>9,361</b>	<b>9,361</b>	
<b>General Fund</b>						
Capital Receipts	429	685	1,135	3,265	3,265	
Grants & Contributions	2,488	8,147	3,137	2,136	933	
Earmarked Reserves	669	1,335	150	150	-	
Revenue Contributions	216	-	-	-	-	
Borrowing Need	881	16,919	6,707	4,227	-	
<b>Total GF</b>	<b>4,684</b>	<b>27,086</b>	<b>11,129</b>	<b>9,778</b>	<b>4,198</b>	
<b>Total Funding</b>	<b>14,429</b>	<b>50,917</b>	<b>25,586</b>	<b>19,139</b>	<b>13,559</b>	

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<b>Report to:</b>	<b>Policy and Performance Advisory Committee</b>
<b>Date:</b>	<b>16 September 2021</b>
<b>Title</b>	<b>Housing Development Update</b>
<b>Exemption:</b>	<b>Yes - This report contains exempt information as defined in Schedule 12A of the Local Government Act 1972.</b>  <b>Appendices 1 and 2 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).</b>  <b>The public interest in maintaining the exemption outweighs the public interest in disclosing the information.</b>
<b>Report of:</b>	<b>Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of Cabinet report:</b>	<b>To provide regular updates on key housing developments</b>
<b>Officer recommendations to the Cabinet:</b>	<b>1) To approve the project known as the Former Newhaven Police Station, making an allocation within the Housing Revenue Account (HRA) Capital Programme of up to £6.2m, in accordance with the business case as set-out in Appendix 1 (Exempt).</b>  <b>2) To approve the Council entering into a construction contract with the preferred bidder to build out the Former Newhaven Police Station, subject to the business case, demolishing the existing buildings and developing 21 new Council homes</b>  <b>3) To approve the disposal of the two HRA assets identified, in accordance with the business case as set-out in Appendix 2 (Exempt), including a policy to ring-fence the capital receipts generated within the annual budget to support in the financing of other Council-led housing developments in Lewes town, enabling the re-allocation of retained Right to Buy (RTB) receipts.</b>

- 4) To authorise the Director of Regeneration and Planning, in consultation with the Portfolio Holders for Housing, Finance, and Assets, also the Chief Finance Officer, to carry out all necessary actions to facilitate the recommendations including feasibility, financing, appointment of professional services, development, sales, lettings, and determining the terms of, and authorising the execution of, all necessary documentation, in accordance with the business case(s).**

**Recommendations to the Committee**      **The recommendations are detailed at 1.3 of this report**

**Reasons for recommendations to the Committee:**      **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](mailto: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 Appendix**

- Appendix 1 (**EXEMPT**) – Former Newhaven Police Station Business Case
- Appendix 2 (**EXEMPT**) – HRA Asset Disposals Business Case

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**Report to:** Cabinet

**Date:** 23 September 2021

**Title:** Housing Development Update

**Exempt reason:** This report contains exempt information as defined in Schedule 12A of the Local Government Act 1972.

Appendices 1 and 2 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**Report of:** Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

**Cabinet member:** Councillor William Meyer, Lead Cabinet Member for Housing

**Ward(s):** Newhaven South, Lewes Castle

**Purpose of report:** To provide regular updates on key housing developments

**Decision type:** Key Decision

**Officer recommendation(s):**

- (1) To approve the project known as the Former Newhaven Police Station, making an allocation within the Housing Revenue Account (HRA) Capital Programme of up to £6.2m, in accordance with the business case as set-out in Appendix 1 (Exempt).
- (2) To approve the Council entering into a construction contract with the preferred bidder to build out the Former Newhaven Police Station, subject to the business case, demolishing the existing buildings and developing 21 new Council homes.
- (3) To approve the disposal of the two HRA assets identified, in accordance with the business case as set-out in Appendix 2 (Exempt), including a policy to ring-fence the capital receipts generated within the annual budget to support in the financing of other Council-led housing developments in Lewes town, enabling the re-allocation of retained Right to Buy (RTB) receipts.

- (4) To authorise the Director of Regeneration and Planning, in consultation with the Portfolio Holders for Housing, Finance, and Assets, also the Chief Finance Officer, to carry out all necessary actions to facilitate the recommendations including feasibility, financing, appointment of professional services, development, sales, lettings, and determining the terms of, and authorising the execution of, all necessary documentation, in accordance with the business case(s).**

**Reasons for recommendations:** To provide updates and secure the necessary approvals to bring forward ongoing key housing development projects within the district, utilising existing assets to deliver highly sustainable Council homes to meet corporate objectives.

**Contact Officer(s):** Name: Leighton Rowe  
Post title: Specialist Project Manager  
E-mail: leighton.rowe@lewes-eastbourne.gov.uk  
Telephone number: 01323 410000

Name: Nathan Haffenden  
Post title: Head of Commercial Business & Development  
E-mail: nathan.haffenden@lewes-eastbourne.gov.uk  
Telephone number: 01323 436422

## **1. Introduction**

- 1.1. This paper provides an update on the new Council housing development at the Former Newhaven Police Station, South Road, Newhaven BN9 9QJ.

It also makes recommendations to dispose of two known high cost, vacant Housing Revenue Account (HRA) assets to support financially in the delivery of a highly sustainable Council house building programme.

## **2. Background**

- 2.1. On 10<sup>th</sup> February 2020, Lewes District Council (LDC) Cabinet considered a report from officers on the Former Newhaven Police Station, approved the site acquisition from Sussex Police, and authorised the development of a scheme as part of the capital programme up to the construction phase.

The HRA Capital Programme approved for 2021/22, at the start of the financial year, includes budget allocations to both acquire properties and build new homes.

A report presented to Cabinet on 8<sup>th</sup> July 2021 set out the housing development pipeline in the context of the approved budgets, which included this site.

- 2.2. Homes First have been progressing condition surveys of the Council housing stock to inform the residential Asset Management Plan. In this early stage, the



outcomes have identified two properties in Lewes town that have become vacant in the last year and require costly repair works to enable re-letting. There is however an opportunity to consider alternative options, maximising local land and property values to support the delivery of new Council homes.

### 3. Newhaven Police Station

3.1. The Former Police Station is in a prominent location in the centre of Newhaven and, having been vacant for several years, its development will contribute to the strategic regeneration plans for the town. It is in a highly sustainable location, being very close to both the main town centre and public transport routes, with links to both bus and rail. The site was identified in the Newhaven Neighbourhood Plan as having potential for a minimum of 15 homes on a site of approximately 0.15 hectares.

3.2. Following the exchange of conditional land contracts with Sussex Police, officers progressed scheme designs towards a planning application submission. A Planning Committee resolution to grant planning permission was approved in July 2021 for a new Council housing scheme, consisting of 21 new homes, including adaptable units on the ground floor, as follows:

Unit Type	Persons	Size (m2)	Total Units
1 bed Flat	2	53	<b>4</b>
2 bed Flat	4	72	<b>14</b>
2 bed Flat	4	77	<b>1</b>
3 bed House	5	99	<b>2</b>

The properties will be built in excess of Nationally Described Technical Space Standards, to ensure that the homes not only meet local housing need but also provide quality and spacious living environments.

The car-lite design will make best use of the central location, public transport links, and promotion of sustainable transport methods. The homes will be subject to a Local Lettings Plan that will prioritise allocations to households who do not have a car and who will make best use of its location.

However, to minimise any potential negative impacts on the surrounding area, the Council will also be supporting the scheme with a parking permit system, utilising nearby car parks to ensure the development does not add to any existing parking concerns. The permit system proposed will help to mitigate parking issues both during and post-development, including in the ongoing housing management. The nearby Council-owned car parks are being reviewed to consider what works may be required to support to deliver these proposals. The measures outlined seek to directly respond to the comments raised at the Planning Committee and shall be subject to continued consultation with Ward Councillors and the Newhaven Town Council.

3.3. The scheme will also include the following key sustainability features:

- Taking a fabric first approach using passive design measures, reducing heat loss and air permeability.
- Full electric including 100% energy efficient lighting.
- Mechanical ventilation and heat recovery (MVHR) systems.
- PV solar panels.
- Increased biodiversity.
- Storage space for up to 39 bikes.

The existing structures on the site had already been assessed as not suitable for re-use. Therefore, demolition works will be involved, however this will be managed to reduce carbon outputs using the same methodology as adopted for the Palmerston House development, where 97% of the materials from the building were recycled.

The energy strategy for the proposed development scheme has been assessed using the following Energy Hierarchy:

1. **Be Lean** – Use less energy
2. **Be Clean** – Supply energy efficiently
3. **Be Green** – Use renewable energy

This results in a scheme that has significant improvements in U-values, air tightness, and overall building performance standards, including an increase to the national average for CO2 reductions. This meets the requirements of the sustainability strategy and Full Council motion to adopt the healthy homes principles, ensuring residents have quality places to live.

3.4. The homes will be developed, held, and managed within the HRA by Homes First. The Local Lettings Plan, in addition to supporting the objectives of a car-lite scheme, will help to meet priority local needs, producing homes let at truly affordable rents nearer to social rent levels (circa 60% of the market rent).

3.5. The project may now progress into the construction delivery stage. Following a competitive procurement exercise in accordance with the Council's Contract Procedure Rules (CPRs), using the new Social Value Charter in the assessment process, Sunninghill Construction Ltd is the preferred bidder based on price and quality, including social value. Further details are included in Appendix 1 (Exempt).

Although based outside of the district, the preferred bidder operates within East Sussex already and will be utilising local SME's and supply chains for a significant majority of the development.

The programme will continue to be progressed on award of a contract, however, development commencement is planned currently for early 2022, to be completed in one phase, and with an expected 18-month on-site construction programme.

3.6. The tendered costs have been impacted by current market challenges, as a result of Covid-19, including a significant increase in the costs of materials. However, following an open and competitive tender exercise, the Council's appointed

Employers Agent has deemed the costs to be reasonable and value for money, especially when factoring the high sustainable elements.

- 3.7. Following a successful tender, the overall projected capital project costs will be up to £6.2m, utilising borrowing, RTB receipts or external grant funding opportunities, incorporating the cost of the land, construction, on-costs, contingency, risk provisions, and project management fees. The Council continues to work closely with Homes England to maximise any grant funding opportunities available to deliver affordable housing.
- 3.8. The financial assessment and supporting business case underpinning the proposals are included in Appendix 1 (Exempt).

#### **4. HRA Asset Disposals**

- 4.1. As part of the stock condition survey programme, the following properties have been identified in a prominent location within the district where land values and demand are high:
- 33 Paddock Road, Lewes BN7 1UU - a freehold double fronted 3 bed two storey cottage.
  - 15 Talbot Terrace, Lewes BN7 2DS - a freehold 2 bed two storey end of terrace house built circa 1900.

Both properties are currently vacant and deemed uneconomic to repair. The properties cannot be re-let until significant modernisation and remediation works have been undertaken. The Council therefore has few options but to consider alternatives to the automatic re-letting of these void properties.

- 4.2. The Council's objectives to increase housing supply across the district includes a dual priority to a) deliver more sustainable homes towards net zero carbon, and b) to offer truly affordable rents, closer to 60% of the market compared to the standard 80% as defined by government. Without additional methods of capital finance to off-set borrowing, it becomes challenging to maintain financial viability. Although the Council could take a holistic approach across its wider housing portfolio, delivering too many schemes on that basis, and that do not have a standalone viable business case, will impact on the HRA Business Plan, restricting the Council's ability to build more homes in the long-term.
- 4.3. Initial advice in relation to the market and potential values presents an opportunity for the Council to dispose of these assets, as set out in the business case, to generate capital receipts that can be ring-fenced within the HRA to support Lewes town based new development schemes.
- 4.4. Due to the commercial sensitivity, the full financial assessment and business case are included in Appendix 2 (Exempt).

#### **5. Outcomes expected and performance management**

- 5.1. The overall outcomes of the recommendations are:

- the continued delivery of the HRA Capital Programme to bring forward more homes that meet local needs in line with the Corporate Plan.
- the strategic management of Council assets, utilised and maximised to support driving district-wide objectives to meet long-term housing growth.
- the ability to raise additional forms of funding, here to generate capital receipts through the disposal of high-cost assets, used to finance the housing pipeline and when supported by a viable business case.

## **6. Consultation**

- 6.1. Statutory consultation was undertaken on the Former Newhaven Police Station as part of the planning process. This was also supported by local consultation with the public and Ward Councillors, before, during, and after the planning decision process, and will include the continued engagement with both Newhaven Town Council and neighbouring residents as the scheme moves toward on-site works commencing.

## **7. Corporate plan and council policies**

- 7.1. These proposals meet the following objectives in accordance with the 'Reimagining Lewes District' Corporate Plan 2020-2024:

### Sustainability and Climate Change

- Building energy efficient homes, including low carbon heating technologies, to ensure homes are not only cheap to rent but also affordable to live in.
- Encouraging sustainable transport methods and promoting other travel options including walking, cycling, and the use of public transport links.
- Use of renewable technology to increase energy re-use and efficiency.
- Increased site biodiversity.

### Building Community Wealth

- Leading on the best use of public sector land and property assets.
- Through procurement, using established contractors to support the use of local sub-contractors and supply chains to increase local spending, employment, and training opportunities.
- Inclusion of new skills, training, and apprenticeships.

### Delivering Homes

- Form's part of the 200 new additional council houses target.
- Adds to more sustainable and energy efficient homes across the district.
- Increases the availability of quality homes for low rents.
- Inclusion of adaptable units to provide accessible homes.
- Supports households directly from the housing register and reduces the reliance on temporary and emergency accommodation.

The development demonstrates the added benefits of acting as One Public Estate (OPE), making the best use of public sector land and property assets to drive forward local regeneration, delivery, and growth objectives.

- 7.2. The scheme shall also be subject to an Employment and Training Plan (ETP), in accordance with the Newhaven Local Employment and Training Technical Guidance note, that will help support local labour markets, create new employment opportunities, and enable new skills and training, to be secured in the form of a Section 106 Agreement.

## **8. Next Steps**

- 8.1. Following approval of the recommendations in relation to the Former Newhaven Police Station, a contractor shall be appointed via an industry standard form construction contract, and the technical design work commenced (RIBA Stage 4), with on-site works expected to start by the end of the financial year 2021/22.
- 8.2. The two HRA properties identified, 15 Talbot Terrace and 33 Paddock Road, shall be subject to further legal, financial, and valuation advice before being put out to the market for sale in accordance with the Council's CPRs. This will include a minimum reserve, with the receipts generated from the sale used to off-set the sale costs, before then being ring-fenced to support new Lewes town-based housing developments.

## **9. Financial implications**

- 9.1. The proposals outlined within this report are in accordance with the HRA Business Plan and Capital Programme for 2021/22, which includes allocations for residential acquisitions and new build homes. All new development projects must be approved by Cabinet, supported by a business case, to enter into a construction contract and added into the capital programme.
- 9.2. Any investment requiring a capital outlay presents an element of risk. The risk here is however considered as acceptable based on the business case as set-out in Appendix 1. Any other risks can be mitigated and managed through careful construction management and continued technical due diligence.
- 9.3. The disposal of HRA assets shall have an impact on the Business Plan, however, in this context, the properties are vacant, and the production of capital receipts fundamentally supports in the project finance of new schemes as part of the capital programme. The impact is therefore assessed as acceptable.

## **10. Legal implications**

- 10.1. The Council can rely on section 9 of the Housing Act 1985 (HA 1985) to undertake the development of the former Newhaven Police station. This is a power to provide sub-market rented housing for its area i.e., to address a gap in the housing market and meet the needs of the local community. The RTB will apply to these properties but, in summary, any discount to which anyone exercising the RTB is entitled will be limited with the effect that the discount cannot take the price paid by them to less than the cost price of the property.

Section 32 of the HA 1985 will permit the Council to let the accommodation on the former Newhaven Police Station on secure tenancies without the requirement for Secretary of State consent.

The Council will take full advice on any title issues associated with the development of the former Newhaven Police station and in respect of appropriate ways to address any issues revealed.

In respect of the proposed disposals of the two HRA assets, Section 32 of the HA 1985 requires the Secretary of State's consent for the disposal of land held for the purposes of that Act (i.e., HRA land). The Secretary of State has issued a general consent (A3.1.1 of the General Housing Consents 2013) for the disposal of such land for a consideration equal to its market value (subject to certain exceptions which are not relevant here).

[010350-LDC-PB 31 August 2021]

## 11. Risk management implications

11.1. The key risks and mitigations are set out in the following table:

Ref	Risk	Mitigations
1	Increasing costs and programme delays due to COVID-19 and BREXIT.	The market continues to be monitored closely. External market advice will be taken if/where required and fixed price construction contracts will be used wherever possible. Entering into a contract during the tender fixed price period will also reduce the risk of increasing costs.
2	Project viability impacting on the HRA Business Plan.	The scheme has been tested within the context of the HRA Business Plan. With the use of either RTB receipts or external grant (blended funding is not an option due to Homes England criteria), the business case as set-out in the appendices are viable. The budget allocation includes contingencies and risk provisions on both the Council's and contractors' side, with further value engineering to be discussed during the detailed design stage.
3	Housing management issues related to car-lite scheme.	The central location, transport links, and proximity to the town centre support a car-lite scheme. However, a parking permit system shall also support the development, through both the construction phase and in the operation of the scheme, that will

		utilise Council-owned car parks in the surrounding area, mitigating any potential impacts on the already limited parking.
4	Disposal of HRA assets do not achieve market value.	The properties shall be subject to an independent red book valuation. The Council has a requirement to obtain fair value and will set a minimum level to be realised to trigger a sale.
5	The capital receipts from the disposals are not used toward priority developments.	The receipts shall be ring-fenced within the HRA and set-aside with the budget to support only new housing developments in Lewes town.

## 12. Equality analysis

- 12.1. An equality analysis has been undertaken and has not identified any related impacts to the recommendations contained in this report.

## 13. Environmental impact analysis

- 13.1. The design of the Former Newhaven Police Station has been subject to a full review of the sustainability features and in accordance with the Council's corporate priorities, including the healthy homes principles, and with consideration of financial viability. The site is also being developed on a brownfield site and, where appropriate, full ecology and environmental impact surveys have been undertaken.
- 13.2. There are no environmental impacts to report regarding the recommendations relating to the HRA asset disposals.

## 14. Contribution to Community Wealth Building

- 14.1. The development of brownfield sites, specifically the re-use of public sector land and property assets, supports the principles of OPE ensuring that public sector partners work collaboratively to bring forward district-wide benefits.
- 14.2. The construction contract has been advertised and assessed using the Council's Social Value Charter that has been designed around the Corporate Plan objectives, including those focused on Community Wealth Building. This will include:
- Use of local SME's
  - Engagement with local supply chains
  - Increased local employment
  - New training and apprenticeship opportunities

## **15. Appendices**

- 15.1.
  - Appendix 1 (Exempt) – Former Newhaven Police Station Business Case
  - Appendix 2 (Exempt) – HRA Asset Disposals Business Case

## **16. Background papers**

- 16.1. The background papers used in compiling this report are as follows:
  - LDC Cabinet report - 10<sup>th</sup> February 2020 – ‘Former Police and Fire Station Sites, Newhaven’
  - LDC Cabinet report - 8<sup>th</sup> July 2021 – ‘Housing Development Update’



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

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Lewes District Council

September 2021

## FORWARD PLAN OF DECISIONS

Period covered by this Plan:

1 September to 31 December 2021

Date of publication:

25 August 2021

### Membership of Cabinet:

**Councillor Zoe Nicholson:** Leader of the Council, Chair of Cabinet and Cabinet member for finance and assets

**Councillor James MacCleary:** Deputy leader of the Council and Cabinet member for regeneration and prosperity

**Councillor Matthew Bird:** Cabinet member for sustainability

**Councillor Julie Carr:** Cabinet member for recycling and open spaces

**Councillor Chris Collier:** Cabinet member for performance and people

**Councillor Johnny Denis:** Cabinet member for communities and customers

**Councillor William Meyer:** Cabinet member for housing

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

**Councillor Ruth O'Keefe:** 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><b>Finance update - performance quarter 1 - 2021-2022</b></p> <p>To provide an update on the Council's financial performance, revenue budgets and capital programme to the end of quarter 1 2021/2022 and explain the impact on the current financial position.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	23 Sep 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 <a href="mailto:andrew.clarke@lewes-eastbourne.gov.uk">andrew.clarke@lewes-eastbourne.gov.uk</a></p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a></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><b>Portfolio progress and performance report quarter 1 - 2021-2022</b></p> <p>to update Members on the Council's performance against corporate plan priority actions, performance indicators and targets over the quarter 1 2021/22 period.</p> <p>(Lead Cabinet member: Councillor Chris Collier)</p>	All Wards	Key	Cabinet	23 Sep 2021	Open	Policy and Performance Advisory Committee	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Millie McDevitt, Performance and Programmes Lead Tel: 01273 085637 <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a></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><b>Corporate Plan- Review of year 1 achievements</b></p> <p>Review and summary of achievements achieved in year 1 of the Corporate Plan 2020-24.</p> <p>(Lead Cabinet members: Councillor Chris Collier, Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	23 Sep 2021	Open	Policy and Performance Advisory Committee	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Millie McDevitt, Performance and Programmes Lead Tel: 01273 085637 <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a></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><b>Medium term financial strategy</b></p> <p>To consider and approve the council's medium term financial strategy. (Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	23 Sep 2021	Open	Consultation be undertaken as part of a wider consultation on the council's budget later in the year.	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance) <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a> ,</p> <p>Andrew Clarke, Deputy Chief Finance Officer (Financial Planning) Tel: 01323 415691 <a href="mailto:andrew.clarke@lewes-eastbourne.gov.uk">andrew.clarke@lewes-eastbourne.gov.uk</a></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><b>Asset Regeneration Newhaven</b></p> <p>Consideration of proposals for bringing back into use the former University Technical College as part of the regeneration of Newhaven.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	Newhaven South	Key	Cabinet	23 Sep 2021	Fully exempt  Exempt information reason: 3	Policy and Performance Advisory Committee (if requested)	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 <a href="mailto:mark.langridge-kemp@eastbourne.gov.uk">mark.langridge-kemp@eastbourne.gov.uk</a></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><b>Housing Development Update</b></p> <p>The report will update on a number of Council housing development projects including approvals to commence construction, specifically the former Newhaven Police Station, together with funding proposals to support in the delivery of new Council homes by making best use of existing HRA assets</p> <p>(Lead Cabinet member: Councillor William Meyer)</p>	Newhaven North; Newhaven South; Ouse Valley and Ringmer	Key	Cabinet	23 Sep 2021	Part exempt  Exempt information reason: 3	Policy and Performance Advisory Committee (if requested)	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Leighton Rowe, Development Project Manager Tel: 01323 415367 <a href="mailto:Leighton.rowe@lewes-eastbourne.gov.uk">Leighton.rowe@lewes-eastbourne.gov.uk</a></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><b>Recovery and reset programme</b></p> <p>This report will update on progress with the R&amp;R programme and detail Covid-19 impact on leisure and recreational facilities.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	11 Nov 2021	Open	As detailed in the report.	Report	<p>Chief Executive (Robert Cottrill)</p> <p>Jo Harper, Head of Business Planning and Performance Tel: 01273 484049 <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a></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><b>Climate change and sustainability strategy annual progress report</b></p> <p>Annual progress report detailing the council and district carbon footprints, and progress against the action plan.</p> <p>(Lead Cabinet member: Councillor Matthew Bird)</p>	All Wards	Key	Cabinet	11 Nov 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 <a href="mailto:kate.richardson@lewes-eastbourne.gov.uk">kate.richardson@lewes-eastbourne.gov.uk</a></p>

## Forthcoming decisions

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<p><b>Newhaven Town Deal - Business Case Update</b></p> <p>Update on the business cases being prepared to unlock the Newhaven Town Deal funding offered.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	Newhaven North; Newhaven South	Non-Key	Cabinet	11 Nov 2021	Open	<p>Towns Fund Board: regular meetings to inform the bid</p> <p>Extensive community and business engagement (incl. business and resident surveys; Neighbourhood Plan surveys; and Enterprise Zone engagement).</p>	This is Newhaven - Our Town Investment Plan	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Peter Sharp, Head of Regeneration Tel: 01273 085044 <a href="mailto:Peter.Sharp@lewes-eastbourne.gov.uk">Peter.Sharp@lewes-eastbourne.gov.uk</a></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><b>Recovery and reset programme</b></p> <p>This report will update on progress with the R&amp;R programme. (Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	As detailed in the report.	Report	<p>Chief Executive (Robert Cottrill)</p> <p>Jo Harper, Head of Business Planning and Performance Tel: 01273 484049 <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a></p>
<p><b>Council tax reduction scheme</b></p> <p>To recommend to Full Council, the local council tax reduction scheme and agree any amendments as necessary.  (Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Budget and policy framework	Cabinet  Full Council	9 Dec 2021  21 Feb 2022	Open	With such persons and groups as the council considered likely to have an interest in the operation of the scheme.	Report	<p>Director of Service Delivery (Tim Whelan)</p> <p>Bill McCafferty, Lead for Income Maximisation and Welfare Tel: (01323) 415171 <a href="mailto:bill.mccafferty@lewes-eastbourne.gov.uk">bill.mccafferty@lewes-eastbourne.gov.uk</a></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><b>Draft budget proposals 2022/23</b></p> <p>Preparation of the 2022/23 council budget.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	Policy and Performance Advisory Committee	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance)  <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a> ,</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><b>Council tax base and non-domestic rate income for 2022/23</b></p> <p>The Council is required to set its council tax base and the expected business rate income for the forthcoming year. These calculations are used as the basis for the amount of income the Council will precept from the collection fund.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	Policy and Performance Advisory Committee	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance)  <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a></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><b>Portfolio progress and performance report quarter 2 - 2021-2022</b></p> <p>to update Members on the Council's performance against corporate plan priority actions, performance indicators and targets over the quarter 2 2021/22 period.</p> <p>(Lead Cabinet member: Councillor Chris Collier)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	Policy and Performance Advisory Committee	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Millie McDevitt, Performance and Programmes Lead Tel: 01273 085637 <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a></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><b>Finance update - performance quarter 2 - 2021-2022</b></p> <p>To provide an update on the Council's financial performance, revenue budgets and capital programme to the end of quarter 2 2021/2022 and explain the impact on the current financial position.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	Audit and Standards Committee	Report	<p>Chief Finance Officer (Homira Javadi)</p> <p>Ola Owolabi, Deputy Chief Finance Officer (Corporate Finance)  <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a></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><b>Community Infrastructure Levy Recommendations for Spending</b></p> <p>The report will present the recommendations of the CIL Management and Executive Boards following the assessment of infrastructure project bids by Members and officers.</p> <p>(Lead Cabinet member: Councillor Emily O'Brien)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	<p>The bids will be assessed by the CIL Management Board and Executive Board formed of officers and councillors.</p> <p>Policy and Performance Advisory Committee to receive report if requested.</p>	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Matt Hitchen, Senior Planning Policy Officer Tel: (01323) 415253 <a href="mailto:matt.hitchen@lewes-eastbourne.gov.uk">matt.hitchen@lewes-eastbourne.gov.uk</a></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><b>Asset Management Plan</b></p> <p>To agree the strategy and approach to all of our assets over the next four years.</p> <p>(Lead Cabinet member: Councillor Zoe Nicholson)</p>	All Wards	Key	Cabinet	9 Dec 2021	Open	Policy and Performance Advisory Committee to receive report if requested.	Report	<p>Director of Regeneration and Planning (Ian Fitzpatrick)</p> <p>Mark Langridge Kemp, Head of Property, Delivery and Compliance Tel: 07900 057102 <a href="mailto:mark.langridge-kemp@eastbourne.gov.uk">mark.langridge-kemp@eastbourne.gov.uk</a></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.

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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.

Category	Condition No.
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, Head of Democratic Services, on (01323) 415021, or e-mail [simon.russell@lewes-eastbourne.gov.uk](mailto:simon.russell@lewes-eastbourne.gov.uk).

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## Policy and Performance Advisory Committee Work Programme 2021/2022

Subject	Lead Officer	Date of meeting
Local Council Tax Reduction Scheme 2022/23	Bill McCafferty, Revenues and Benefits Manager <a href="mailto:bill.mccafferty@lewes-eastbourne.gov.uk">bill.mccafferty@lewes-eastbourne.gov.uk</a>	3 June 2021
Recovery and Reset Programme	Jo Harper, Head of Business Planning and Performance <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a>	3 June 2021
Community Wealth Building	Jo Harper, Head of Business Planning and Performance <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a>	3 June 2021
Lewes Biodiversity Strategy	Jane Goodall, Strategy and Partnership Lead, Quality Environment, <a href="mailto:jane.Goodall@lewes-eastbourne.gov.uk">jane.Goodall@lewes-eastbourne.gov.uk</a>	3 June 2021
Local Plan Issues and Options Consultation	Matt Hitchen, Senior Planning Policy Officer <a href="mailto:matt.hitchen@lewes-eastbourne.gov.uk">matt.hitchen@lewes-eastbourne.gov.uk</a>	3 June 2021
Update to the Local Validation List (Information required to support/accompany planning applications)	Leigh Palmer, Head of Planning First <a href="mailto:leigh.palmer@lewes-eastbourne.gov.uk">leigh.palmer@lewes-eastbourne.gov.uk</a>	3 June 2021
Portfolio progress and performance report quarter 4 - 2020-2021	Millie McDevitt, Organisational Effectiveness and Performance Lead <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a>	30 June 2021
Investing in Green Energy Initiatives	Kate Richardson,	30 June 2021

## Policy and Performance Advisory Committee Work Programme 2021/2022

Annual treasury management report 2020-21	Ola Owolabi, Deputy Chief Finance Officer <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a>	30 June 2021
Revenue and Capital Outturn report 2020-21	Andrew Clarke, Deputy Chief Finance Officer <a href="mailto:Andrew.Clarke@lewes-eastbourne.gov.uk">Andrew.Clarke@lewes-eastbourne.gov.uk</a>	30 June 2021
Re-imagining Newhaven	Peter Sharp, Head of Regeneration <a href="mailto:peter.sharp@lewes-eastbourne.gov.uk">peter.sharp@lewes-eastbourne.gov.uk</a>	30 June 2021
Community Grants Policy	Seanne Sweeney, Strategy and Commissioning Lead for Community and Partnerships <a href="mailto:seanne.sweeney@lewes-eastbourne.gov.uk">seanne.sweeney@lewes-eastbourne.gov.uk</a>	30 June 2021
Housing Development Update	Leighton Rowe, Development Project Manager <a href="mailto:Leighton.rowe@lewes-eastbourne.gov.uk">Leighton.rowe@lewes-eastbourne.gov.uk</a>	30 June 2021
Update on the Waste Service	Linda Farley, Head of Customer First <a href="mailto:linda.farley@lewes-eastbourne.gov.uk">linda.farley@lewes-eastbourne.gov.uk</a>	16 September 2021
Portfolio progress and performance report quarter 1 - 2021-2022	Millie McDevitt, Organisational Effectiveness and Performance Lead <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a>	16 September 2021
Finance update - performance quarter 1 - 2021-2022	Andrew Clarke, Deputy Chief Finance Officer <a href="mailto:andrew.clarke@lewes-eastbourne.gov.uk">andrew.clarke@lewes-eastbourne.gov.uk</a>	16 September 2021
Corporate Plan- Review of year 1 achievements	Organisational Effectiveness and Performance Lead <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a>	16 September 2021
Medium term financial strategy	Andrew Clarke, Deputy Chief Finance Officer <a href="mailto:andrew.clarke@lewes-eastbourne.gov.uk">andrew.clarke@lewes-eastbourne.gov.uk</a>	16 September 2021

## Policy and Performance Advisory Committee Work Programme 2021/2022

Housing Development Update – PART EXEMPT	Leighton Rowe, Development Project Manager <a href="mailto:Leighton.rowe@lewes-eastbourne.gov.uk">Leighton.rowe@lewes-eastbourne.gov.uk</a>	16 September 2021
Recovery and Reset Programme	Jo Harper, Head of Business Planning and Performance <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a>	4 November 2021
Chair of Lewes District Council’s Civic Programme	Caroline Hanlon, Civic and Member Services Officer, <a href="mailto:caroline.hanlon@lewes-eastbourne.gov.uk">caroline.hanlon@lewes-eastbourne.gov.uk</a>	4 November 2021
Recovery and Reset Programme	Jo Harper, Head of Business Planning and Performance <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a>	2 December 2021
Portfolio progress and performance report quarter 2 - 2021-2022	Millie McDevitt, Organisational Effectiveness and Performance Lead <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a>	2 December 2021
Draft Budget Update	Andrew Clarke, Deputy Chief Finance Officer <a href="mailto:Andrew.Clarke@lewes-eastbourne.gov.uk">Andrew.Clarke@lewes-eastbourne.gov.uk</a>	2 December 2021
Local council tax reduction scheme	Bill McCafferty, Revenues and Benefits Manager, <a href="mailto:bill.mccafferty@leweseastbourne.gov.uk">bill.mccafferty@leweseastbourne.gov.uk</a>	2 December 2021
Recovery and Reset Programme	Jo Harper, Head of Business Planning and Performance <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a>	27 January 2022

## Policy and Performance Advisory Committee Work Programme 2021/2022

Portfolio progress and performance report quarter 3 - 2021-2022	Millie McDevitt, Organisational Effectiveness and Performance Lead <a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a>	27 January 2022
Voluntary Sector Report	Seanne Sweeney, Strategy & Corporate Projects Officer <a href="mailto:seanne.sweeney@lewes-eastbourne.gov.uk">seanne.sweeney@lewes-eastbourne.gov.uk</a>	27 January 2022
Annual Lewes District Community Safety Partnership Report.	Oliver Jones, Strategy & Partnerships Lead <a href="mailto:oliver.jones@lewes-eastbourne.gov.uk">oliver.jones@lewes-eastbourne.gov.uk</a>	27 January 2022
General Fund Revenue Budget 2021/22, Capital Programme	Andrew Clarke, Deputy Chief Finance Officer <a href="mailto:andrew.clarke@lewes-eastbourne.gov.uk">andrew.clarke@lewes-eastbourne.gov.uk</a>	27 January 2022
Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2021/22 and HRA Capital Programme 2020-24	Andrew Clarke, Deputy Chief Finance Officer <a href="mailto:andrew.clarke@lewes-eastbourne.gov.uk">andrew.clarke@lewes-eastbourne.gov.uk</a>	27 January 2022
Treasury Management and Prudential Indicators 2021/22, Capital Strategy & Investment Strategy	Ola Owolabi, Deputy Chief Finance Officer, <a href="mailto:Ola.Owolabi@lewes-eastbourne.gov.uk">Ola.Owolabi@lewes-eastbourne.gov.uk</a>	27 January 2022
Fees and charges (part exempt)	Ola Owolabi, Deputy Chief Finance Officer <a href="mailto:ola.owolabi@lewes-eastbourne.gov.uk">ola.owolabi@lewes-eastbourne.gov.uk</a>	27 January 2022
Recovery and Reset Programme	Jo Harper, Head of Business Planning and Performance <a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a>	17 March 2022

**Standing Items at all meetings of the Committee**

## **Policy and Performance Advisory Committee Work Programme 2021/2022**

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

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