

Cabinet

1 February 2024



Lewes District Council

Time and venue:

2.30 pm in the Room 209/210 on the Second Floor, The Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER.

Membership:

Councillor Zoe Nicholson (Chair); Councillors Christine Robinson (Deputy-Chair) Chris Collier, Johnny Denis, Wendy Maples, Emily O'Brien, Laurence O'Connor, Mark Slater and Christine Brett

Quorum: 4

Published: Wednesday, 24 January 2024

Agenda

1 Minutes of the meeting held on 7 December 2023 (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 Public question time

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

6 Written question from councillors

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

7 Matters referred to the Cabinet

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

None.

8 General Fund Revenue Budget 2024/25 and Capital Programme (Pages 11 - 46)

Report of Director of Finance and Performance
Lead Cabinet member: Councillor Zoe Nicholson

9 Treasury Management Strategy, Investment Strategy, Capital Strategy and Prudential Indicators 2024/25 (Pages 47 - 118)

Report of Director of Finance and Performance
Lead Cabinet member: Councillor Zoe Nicholson

10 Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-28 (Pages 119 - 132)

Report of Director of Finance and Performance
Lead Cabinet member: Councillor Zoe Nicholson

11 Re-imagining Lewes District: Delivering the Vision 2024 - 2028 (Pages 133 - 166)

Report of Chief Executive
Lead Cabinet member: Councillor Zoe Nicholson

Information for the public

Accessibility:

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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

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Cabinet

Minutes of meeting held in Room 209/210 on the Second Floor, The Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER. on 7 December 2023 at 2.30 pm.

Present:

Councillor Zoe Nicholson (Chair).
Councillors Christine Robinson (Deputy-Chair), Chris Collier, Johnny Denis, Wendy Maples, Emily O'Brien, Laurence O'Connor and Mark Slater.

Officers in attendance:

Robert Cottrill (Chief Executive), Homira Javadi (Director of Finance and Performance (Section 151 Officer)), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Becky Cooke (Director of Tourism, Culture and Organisational Development), Simon Russell (Head of Democratic Services and Monitoring Officer), Kate Slattery (Head of Legal Services), Luke Dreeling (Performance Lead), Steven Houchin (Interim Deputy Chief Finance Officer (Corporate Finance)), Lynn Ingram (Interim Head of Financial Planning) and Bill McCafferty (Lead for Income Maximisation and Welfare).

Also in attendance:

Councillor Christine Brett (Chair of Policy and Performance Advisory Committee), Councillor Stephen Gauntlett (Chair of Audit and Governance Committee) and Councillor James MacCleary (Leader of the Liberal Democrat Group).

33 Minutes of the meeting held on 9 November 2023

The minutes of the meeting held on 9 November 2023 were submitted and approved and the Chair was authorised to sign them as a correct record.

34 Apologies for absence

None were reported.

35 Declarations of interest

None were declared.

36 Urgent items

Since publication of the agenda, the Cabinet were asked and agreed to formally approve the following appointment to outside bodies. The Head of Democratic Services would then make the appointment under delegated authority.

- Councillor Wendy Maples to be appointed as council representative on East Sussex Joint Parking Board. (Councillor Nick Kortalla-Bird appointed as substitute).

37 Order of business

The Chair advised that the order of business for the meeting would be amended to consider agenda item 9 (Revenue & Capital Financial Monitoring Report Quarter 2 2023-24) first.

38 Revenue & Capital Financial Monitoring Report Quarter 2 2023-24

The Cabinet considered the report of the Director of Finance and Performance, providing an assessment of the Council's financial performance against the approved 2023-24 budget, incorporating key financial risks, issues and opportunities identified since 2 April 2023 for the General Fund and the Housing Revenue Account (HRA).

The Council, alongside many other local authorities and organisations across the nation, had seen a significant impact on its finances because of external factors beyond its control, including the rising costs of homelessness and lack of clarity over Government funding. Further details were contained in the report. Since the quarter one report, there had been a slight improvement in the forecast outturn position of £120k.

Cabinet acknowledged the recent emergency summit, that had been hosted by Eastbourne Borough Council and the District Council's Network, which had resulted in 120 Leaders, including the Leader of Lewes District Council signing an open letter to Government on what is required to address the social and financial crisis created by the unprecedented demand for temporary accommodation. It was acknowledged that further lobbying of Government would be required.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2023 considered the report and were supportive of the officer recommendations in full.

The Chair read out a statement that had been submitted by Tenants of Lewes District (TOLD) in advance of the meeting. The statement commented positively on the action taken by the Council with regards to monthly recurring revenue (MRR) and it being used for major repairs prioritised by tenants and clearing the backlog of void properties that were potentially being considered for disposal. TOLD also welcomed further discussions with the council on any proposed disposal of council homes, prior to any decision being taken.

A typo was noted in section 4.3 of the report, where the Capital and the Natural Club Management Budget should've been titled 'Capital and the Natural and Coastal Management Budget'.

Resolved (Non-key decision):

(1) To note the forecast outturn position for 2023-24 and associated risks.

(2) To delegate authority to the Director of Finance and Performance and the portfolio holder for finance to apply any budget virements required to effectively manage the overall budget.

(3) To note Appendices 1 & 2 to the Cabinet report.

Reason for decisions:

To update members on the financial position of the Council and ensure that the Authority complies with its financial regulations.

39 Draft Medium Term Financial Strategy 2024/25 to 2027/28

The Cabinet considered the report of the Director of Finance and Performance, asking them to agree the interim Medium Term Financial Strategy (MTFS) for 2024/25 to 2027/28, together with the updated Capital Programme position.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2023 considered the report and were supportive of the officer recommendations in full.

Resolved (Key decision):

(1) To note the updated Medium Term Financial Strategy forecasts and requirement to identify additional savings of £1.08m for the period 2024/25 to 2027/28

(2) To note that this forecast significantly depends on government funding settlement announcements and demand for services and pressures upon the council.

(3) To note that at this stage a forecast £1.08m of savings are required to balance the 2024/25 budget; and

(4) To note the planned annual review of earmarked reserves which aims to reallocate them in line with the emerging risks.

Reason for decisions:

To provide Cabinet with an update and early sighting of key MTFS and budgetary implications in preparation for the setting of a revenue budget and associated Council tax for the forthcoming financial year by law.

40 Portfolio progress and performance report quarter 2 - 2023-2024

The Cabinet considered the report of the Director of Finance and Performance,

considering the council's progress and performance in respect of service areas for the second quarter of the year (July - September 2023), as detailed at Appendix 1 to the report.

The Cabinet expressed its thanks to officers for their work in achieving the improvements in performance for this quarter. It was reported that further to the report, the average time taken to answer calls for November was down to 105 seconds on average and was on track for the month of December.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2023 considered the report and were supportive of the officer recommendations in full.

Resolved (Non-key decision):

To note progress and performance for Quarter 2 2023/24.

Reason for decision:

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

41 Local Council Tax Reduction Scheme 2024/25

The Cabinet considered the report of the Director of Service Delivery, seeking their recommendation to Full Council that the 2023/24 Local Council Tax Reduction Scheme is adopted as the 2024/25 scheme.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2023 considered the report and were supportive of the officer recommendations in full.

Recommended to Full Council (Budget and policy framework):

(1) That the 2023/24 Local Council Tax Reduction Scheme is adopted as the 2024/25 scheme.

(2) Subject to Full Council adoption of the Scheme, Cabinet grants the Director of Service Delivery delegated authority–

(a) to implement the Scheme, such delegated authority to include any measures necessary for or incidental to its management and administration; and

(b) if necessary, and in accordance with paragraph 2.3, to amend the Scheme in consultation with the Cabinet Member for Assets and Finance

(3) That the Exceptional Hardship Scheme continues in 2024/25, subject to funds being available.

Reason for decisions:

The Council must review the scheme each year and adopt a scheme for the coming financial year.

42 Council Tax Discounts and Premiums

The Cabinet considered the report of the Director of Service Delivery, asking them to determine and recommend to Full Council, the level of certain Council Tax discounts and Council Tax premiums with effect from 1 April 2024 and 1 April 2025.

The recommendations were welcomed by the Cabinet and followed the introduction of new rules by government that allowed local authorities to set higher council tax premiums on empty and second homes.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2023 considered the report and were supportive of the officer recommendations in full.

Recommended to Full Council (Budget and policy framework)

1. From 1 April 2024

- (a) The adoption of a standard 0% discount for all Class D chargeable dwellings; and
- (b) Levying the maximum level of premium i.e.:
 - Premium of 100% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) after 1 years up to 5 years of becoming empty;
 - Premium of 200% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) between 5 years and up to 10 years; and
 - Premium of 300% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) for 10 years or more.

2. From 1 April 2025

- (a) The continued application of 0% discount for Class D and Empty Homes premiums at 100% effective when dwellings have been unoccupied and substantially unfurnished for 1 year; and
- (b) The application of a premium (Second Homes Premium) of 100% for all dwellings that are no one's sole or main residence and which is substantially furnished.

3. Exception to premiums

Where premiums are to be applied, the Council is mindful of the current consultation by government which recommends exceptions in certain

circumstances outlined within the report. Subject to the outcome of that consultation, it is recommended that the Section 151 Officer is given delegated powers to implement the Council's policy on premiums in line with statute, the Council's requirements and any guidance given by the Secretary of State.

Reason for decisions:

(1) To reduce the number of empty homes within the District in line with the Council's Empty Homes Strategy; and

(2) To encourage the use of premises as main residences by local residents rather than second homes.

43 Council tax base and non-domestic rate income for 2024/25

The Cabinet considered the report of the Director of Finance and Performance, asking them to approve the Council Tax Base and net yield from Business Rate Income for 2024/25 in accordance with the Local Government Finance Act 1992.

Policy and Performance Advisory Committee (PPAC), held on 30 November 2023 considered the report and were supportive of the officer recommendations in full.

Resolved (Key decision):

(1) To agree the provisional Council Tax Base of 38,538.3 for 2024/25 for the whole area and that the Council Tax Base for each of the Town and Parish areas of the District shall be set out in Appendix 2 of the report.

(2) To agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Financial Services, determine the final amounts for the Council Tax Base for 2024/25.

(3) To agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine net yield from Business Rate income for 2024/25.

Reason for decisions:

Cabinet is required to approve the Tax Base which would be used for the purposes of calculating the 2024/25 Council Tax.

The meeting ended at 3.00 pm

Councillor Zoe Nicholson (Chair)

Agenda Item 8

Report to:	Cabinet
Date:	1 February 2024
Title:	General Fund Revenue Budget 2024/25 and Capital Programme
Report of:	Homira Javadi, Director of Finance and Performance (Chief Finance Officer – S151 Officer)
Cabinet member:	Councillor Zoe Nicholson, Leader of the Council and Cabinet Member for Finance, Assets and Community Wealth Building
Ward(s):	All
Purpose of report:	To agree the General Fund Budget 2023/24 and updated Medium Term Financial Strategy, together with the updated Capital Programme and Treasury Management position.
Decision type:	Budget and Policy Framework
Officer recommendation(s):	Members are asked to recommend the following proposals to Full Council: 1) The General Fund Budget 2024/25 (original) and projected MTFS as set out in Appendix 1. 2) The General Fund Budget 2023/24 (revised) as set out in Appendices 2 & 3. 3) An increase in the Council Tax for Lewes District Council of 2.99% resulting in a gross Band D charge (including Special Expenses) of £228.17 for 2024/25. 4) The revised General Fund & Housing Revenue Account Capital Programme 2024/25 as set out in Appendix 4. 5) The rates of Fees and Charges proposed within Appendix 5 to apply from 1 April 2024 and to implement changes to statutory fees and charges for services shown within Appendix 5 as and when notified by Government. 6) To note the Section 151 Officer’s sign off as outlined in the report.
Reasons for recommendations:	The Cabinet has to recommend to Full Council the setting of a revenue budget and associated Council Tax for the forthcoming financial year by law.

Contact Officer(s): **Name: Homira Javadi**
Post title: Director of Finance and Performance
E-mail: Homira.Javadi@lewes-eastbourne.gov.uk

1. OPENING REMARKS

- 1.1. This year's budget is set within the context of continuing financial challenges for the council. With the impact of the inflationary and cost-of-living pressures still keenly felt, this year will also see the impact of wider government policy on key areas such as the increase in homelessness and temporary accommodation placements as councils across the county look to protect the most vulnerable in our communities. Most councils have had to make difficult decisions, face reductions to their services and planned investments to achieve this.
- 1.2. Recent surveys suggest most councils will need to draw down on their reserves in 2024/25 to balance their budgets, and councils continue to warn that without increased government financial support many will be forced to make increasingly difficult decision to present balanced budgets. However even with such interventions it is increasingly likely that some councils may seek extraordinary government support to allow them to set balanced budgets in 2024/25.
- 1.3. We have also faced our share of the challenges such the increasing cost of goods and services, increase in cost of homelessness and temporary accommodation placements and the increased cost of financing capital investments funded by borrowing. However, we continue to maintain vital services, and have even managed to invest in new facilities.
- 1.4. We started our work on the budget early this year, and for the last five months every team across the organisation has been tasked with finding new ways to generate income or savings. I am pleased to say that after the hard work from every team across the council, a balanced financial plan has been achieved without making reductions to front-line services.
- 1.5. However, like all councils across the country there remain financial challenges over the medium term not only in terms of pressures on demand and finances but the uncertainty surrounding local government funding reforms.
- 1.6. The new financial plan, which takes us to March 2028, also includes £191.1m (GF of £74.7m and Housing Revenue Account £116.4m) of investment in capital programme during those four years.
- 1.7. This has been yet another extremely challenging budget to develop. However, despite the financial pressures, the council continues to invest in the district and its key frontline services.

2. INTRODUCTION

- 2.1. This report sets out the Council's Medium Term Financial Strategy (MTFS) and associated spending plans for the four years 2024/25 to 2027/28. The reports cover all aspects of the Council's expenditure:
 - a) General Fund revenue expenditure funded by the council taxpayer.

- b) Government grants and other sources of income
- c) the Council's Capital Programmes (General Fund and HRA) funded by capital receipts, revenue and borrowing.

2.2. The proposed Medium Term Financial Strategy is set out below:

	2023/24	2024/25	2025/26	2026/27	2027/28
Lewes District Council Summary MTFP 24/25 to 27/28	Base for 23/24	Proposed Budget	Net Budget	Net Budget	Net Budget
£000					
TOTAL FINANCING	(15,603)	(16,487)	(16,852)	(17,303)	(17,824)
NET EXPENDITURE	16,279	15,587	16,801	16,929	17,395
Net Capital Financing Costs (including Capital Finance Reserve transfers)	(779)	900	1,627	2,188	2,565
REVISED EXPENDITURE	15,500	16,487	18,428	19,117	19,960
Unfunded Emergency Accomodation	635	635	635	635	635
General Reserves Funding	(532)	(635)			
REVISED EXPENDITURE	15,603	16,487	19,063	19,752	20,595
BUDGET SHORTFALL	0	0	2,210	2,449	2,770

2.2.1. The budget is financially balanced in 2024/25 with the remaining three years to be balanced through a combination of the of use of reserves, additional future savings and efficiencies, to mitigate existing budget gaps.

2.2.2. Assumes a one-off New Homes Bonus contribution to the MTFs in 2024/25.

2.2.3. Assumes cost recovery or an uplift in discretionary fees and charges averaging 10% to be implemented in 2024/25.

2.2.4. Assumes a Council Tax increase of 2.99% for 2024/25, with increases of 2.00% applied throughout the remaining years of this MTFs. The rate of 2.99% has been confirmed in the Autumn Statement as the rate at which there is no requirement for a referendum.

2.2.5. Assumes an increase in council house rents of 7.7% in 2024/25 in line with government guidelines and confirmed by the Regulator of Social Housing (Consumer Prices Index (CPI) on 30th September 2023 + 1%).

3. ECONOMIC CONTEXT, PRIORITIES AND BUDGET SETTING STRATEGY

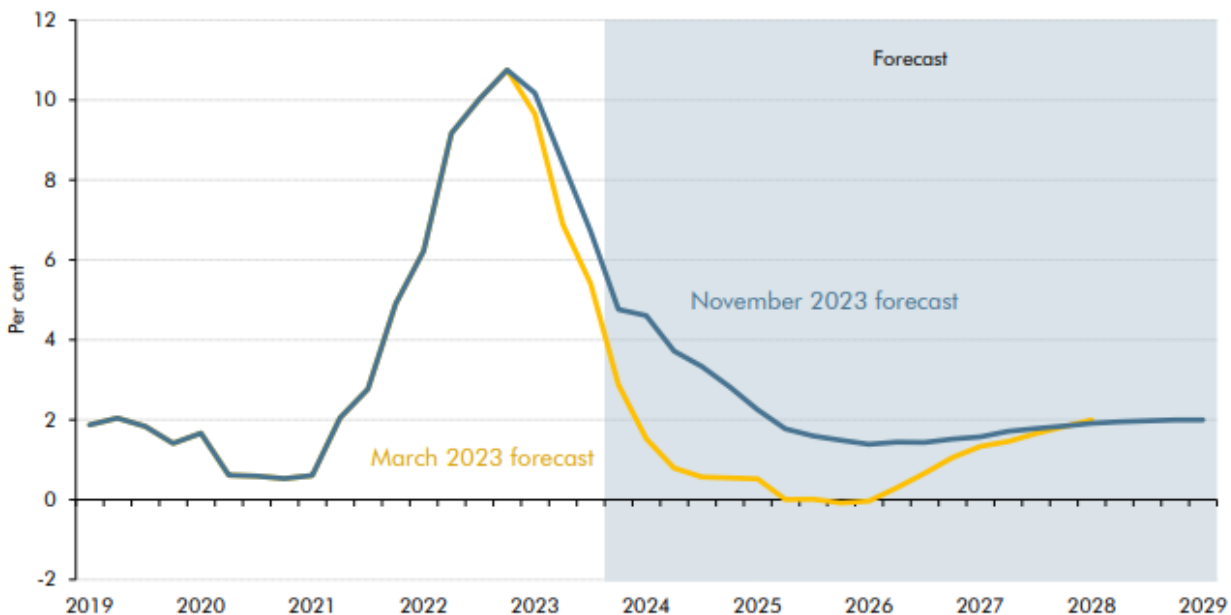
3.1. This report sets out the Council's financial plans for the period 2024/25 to 2027/28. The plans make assumptions about income from Government and grants, Council Tax and rents. The plans underpin service provision and the Council's vision, set out in the corporate plan, of "using our council resources wisely whilst respecting and following the principles of open governance, equality, open data and being a responsible employer."

3.2. The Council seeks to support and maintain services from income stream driven from fees and charges and financial returns from its trading activities.

Economic Context

- 3.3. The UK economy has performed better during 2023 than was widely expected at the beginning of the year. While the level of national Gross Domestic Product (GDP) has now surpassed pre-covid levels, GDP growth is expected to be at a slower pace over the short to medium term than in recent months.
- 3.4. The October 2023 CPI inflation rate has fallen to 4.6% from a peak of 11.1% in October 2022, still higher than the Bank of England target of 2%. It is expected that this measure will continue to fall during the next financial year and is expected to hit the bank of BoE inflation target of 2% by the end of the 2024/25, much faster than the previously expected.
- 3.5. As a result, it is expected that rates of interest will start to fall in the second half of 2024/25 again much earlier than anticipated, although still at levels much higher than in recent years.
- 3.6. However, the outlook for households and businesses over the next twelve months will continue to be challenging, further compounding the impact of the pressures felt due to the cost-of-living crisis over the previous twelve months.

Chart 1: UK Inflation Forecasts



Source: ONS, OBR

- 3.7. On the 14 December 2023 the Bank of England held the base rate at 5.25% for the fourth successive month. Link Asset Management, the Councils Treasury advisors, provide a forecast view of interest rate levels over a three-year period and is shown below:

Link Group Interest Rate View	08.01.24												
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.80	4.30	3.80	3.30	3.20	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.60	4.10	3.70	3.20	3.20	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Table 1: Interest Rate Forecasts from January 2024 to March 2027

- 3.8. The Council capital programme is heavily financed by borrowing although the Council currently uses internal funds, as these are the cheapest form of borrowing. As the Capital Financing Requirement increases so will the need to undertake external borrowing.

Autumn Statement 2023

- 3.9. The Chancellor's Autumn Statement was announced on 22 November. The main implications for local Government were:

Council Tax

- 3.10. The referendum limit for increases in council tax continue to be set at 2.99% per year or £5, whichever is greater. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year over the same timeframes.

Business Rates

- 3.11. For 2024/25, the small business multiplier in England will be frozen for a fourth consecutive year at 49.9p, while the standard multiplier will be updated by September 23 CPI to 54.6p.
- 3.12. The current 75% relief for eligible Retail, Hospitality and Leisure (RHL) properties is being extended for 2024/25.
- 3.13. Local Authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs.

Capital Investment

- 3.14. Lewes District Council has recently had its Simplification Pathfinder Pilot Investment Plan approved. The Pathfinder Pilot allows qualifying councils to consolidate the following three funding programmes to give the council greater flexibility and autonomy is how it applies these grants worth £39.9m to LDC:

- Future High Streets Fund (FHSF)
- Town Deals
- Levelling Up Fund

Social Housing

- 3.15. Rents for Social Housing can be increased by 7.7% in 2024/25 being the maximum that can be applied and reflects Consumer Prices Index (CPI) on 30th September 2023 + 1%

Local Housing Allowance

3.16. In April 2024, Local Housing Allowance rates will be raised to the 30th percentile of local market rents.

National Living Wage

3.17. This will increase for individuals aged 23 and over by 9.8% to £11.44 an hour from 1 April 2024.

Local Government Finance Settlement

3.18. The Local Government Finance Settlement released in the week commencing 18 December 2023, confirmed what had already been expected with no major changes or surprises from pre-published material already circulating within local government finance networks.

3.19. The Settlement announced limited changes to service grants and the replacement of the previous lower tier services grant with the Funding Guarantee Grant, in essence a recalculation of the remaining revenue support grant to councils to maintain their spending powers.

3.20. The table below shows the changes between this year's published settlement compared to the assumptions set out in the Interim 24/25 MTFS and the 23/24 MTFS.

LDC Funding Settlement Analysis	2023/24 MTFS	Interim 2024/25 MTFS	Final 2024/25 MTFS
	£m		
Business Rate Retained Growth	2.327	2.483	2.483
Council Tax	8.383	8.865	8.793
SFA Compensation	0.396	0.423	0.396
New Homes Bonus	0.392	0.245	0.714
Services Grant	0.087	0.093	0.014
Funding Guarantee	0.259	0	0.124
Total	11.844	12.109	12.524

Variance Against 2023/24 MTFS	£0.680m
Variance Against 2024/25 interim MTFS	£0.412m

Table 2 – Draft Local Government Settlement Analysis

Consultation and Planning

3.21. As in previous years the budget has been prepared in line with corporate priorities, as set out in the corporate plan This plan was consulted on widely at the time of production. The budget will be considered first by Cabinet and then by Full Council in February 2024.

3.22. The Service and Financial Planning review has been undertaken by

- Reviewing all four-year assumptions of the MTFs around changes to the base budget
- Proposals to reduce spend or in some instances increasing income where it is prudent to do so.
- Maximising the use of the assets that the Council holds
- Using reserves to smooth out fluctuations in the General Fund over the period whilst ensuring that such reserves are not depleted further over the four-year period.

3.23. Taking account of this review the key assumptions are outlined below.

4. GENERAL FUND REVENUE BUDGET - KEY ASSUMPTIONS

Business Rates

4.1. Business rates income collected by Lewes District Council as the billing authority is split 50% with central government, with the remaining local 50% share to be distributed based on the following local shares, as set out in the framework for business rates.

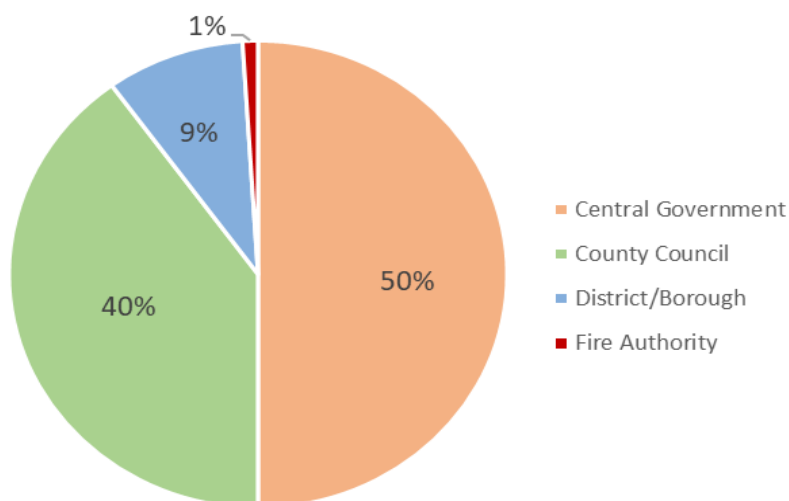


Chart 2: Split of Business Rates

- 4.2. The recent Spending Review and Autumn Statement 2023 was not explicit in terms of the reforms in respect of Business Rates Retention, (known as Fairer Funding). The implementation of these reforms has been delayed for the past 4 years and is likely to be delayed again since there is insufficient time for the Government to implement these changes by financial year 2024/25 and probably before the next general election. Any proposals would need to go through a consultation process first, any implementation could only take place as early as 2025/26. This timeframe is so close to a general election it would be highly unlikely to be undertaken at this point.
- 4.3. For budgeting purposes, the figures for 2024/25 have now been confirmed following the financial settlement which result in a decrease of £0.042m in business rate income in 2024/25 compared to that previously assumed in the interim MTFs.
- 4.4. The assumption that reform to business rates is delayed for at least a further year has been modelled across the MTFs and the opportunity to equalise business rate income flowing into the general fund through the adoption and use of an equalisation reserve has

also been taken. This provides clarity and consistency over the medium term until such time as future reforms are communicated by government and will be kept under review. For 2024/25 a transfer to the Business Rates Equalisation reserve of £0.2m has been assumed.

East Sussex Business Rates Retention Pool Arrangements

- 4.5. For 2024/25 as in previous years the East Sussex Business Rates Pool consisting of East Sussex County Council (ESCC), Lewes District Council (LDC), Hasting Borough Council (HBC), Rother District Council (RDC), Wealden District Council (WDC) and Eastbourne Borough Council (EBC) will continue. This is to optimise the financial return to Pool members given the interaction of levy payments to Government.
- 4.6. Lewes District Council provisional benefits from the pooling arrangements amount to £0.610m in 2024/25 which is an increase of £0.086m compared to that previously assumed in the interim MTFS.

New Homes Bonus (NHB)

- 4.7. The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.
- 4.8. For 2024/25 the Government made a one-off New Homes Bonus allocation of £0.714m, an increase of £0.321m compared to the previous year's allocation to the Council.

Council Tax

- 4.9. The Autumn Statement included provision to increase the council tax referendum level to 2.99% or £5 whichever is the higher for District Councils for 2023-24. Although there is no mention of this referendum level for 2025-26 the indication is that the level will be the same.
- 4.10. The recommendation is to increase council tax by 2.99% for 2024/25 with a further increase of 2.00% assumed for 2025-26. An annual increase of Council Tax by 2.99% in 24/25 represents approximately £0.251m of additional annual income to Lewes District Council.
- 4.11. The aggregate Band D council requirement comprises two elements:
- Special Expenses in respect of the cost of managing and maintaining parks and open spaces. The budget of each site is charged to the council taxpayers of that part of the district area in which the facility is located.
 - General Expenses, all other costs.

Special Expenses

- 4.12. Special expenses are a part of the overall council tax charged by Lewes District Council. Most of the district's council tax is evenly distributed across all areas of the district. However, special expenses allow some specific costs to be distributed according to where

the services are provided. The district charges special expenses for the maintenance of some of its parks and open spaces.

- 4.13. The use of special area charges is permitted in accordance with Section 35 of the Local Government Act 1992 (1992 Act). The 1992 Act provides for different amounts of council tax to be calculated for different parts of a council's areas. The legislation provides for a range of special items to achieve this – special expenses and parish precepts being the most common.
- 4.14. Section 35(2)(d) specifically defines a special expense as “any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by a parish council are the authority’s special expenses unless a resolution of the authority to the contrary effect is in force.”
- 4.15. The Council has made a commitment to passing on charges in the cost of the upkeep of open spaces. Special Expenses amounts are shown in table 3.

Table 3: Special Expenses by Town/Parish

Town/Parish Area	Special Expenses 2023/24 (£)	Band D 2023/24 (£)	Special Expenses 2024/25 (£)	Band D 2024/25 (£)
Lewes	353,377	56.70	377,053	59.58
Newhaven	139,035	37.09	148,350	37.45
Telscombe	59,480	23.10	63,465	24.62
Seaford	60,396	6.23	64,443	6.62
Peacehaven	42,360	8.65	45,198	8.96
Chailey	1,149	0.81	1,226	0.84
Ringmer	4,548	2.26	4,853	2.29
Total	640,880	17.45	704,588	18.28

- 4.16. Applying a 2.99% increase to the General Expenses element of the Council Tax gives a Band D tax amount of £228.17 including the application of Special Expenses to those Parishes described above.

Table 4: Proposed Band D rates

Band D	2023/24 £	2024/25 £	Change £	Change %
Special Expenses	17.45	18.28	3.35	4.77%
General Fund	204.10	209.89	5.79	2.84%
Total	221.55	228.17	6.62	2.99%

Investment Interest

- 4.17. On the 14 December 2023 the Bank of England held the base rate at 5.25% for the fourth successive month. It is also assumed that the base rate will remain at this level for some time with reductions unlikely until the second half of the next financial year. Interest rates feed through to the rate applied to PWLB borrowing and the council's investments. Because of the high level of interest rate compared to recent historic lows, the council will take care to ensure that investment rates will increase only on the basis that there is a subsequent positive impact on the council's finances. Increasing PWLB rates will have an adverse impact on the council's capital financing costs directly and indirectly including

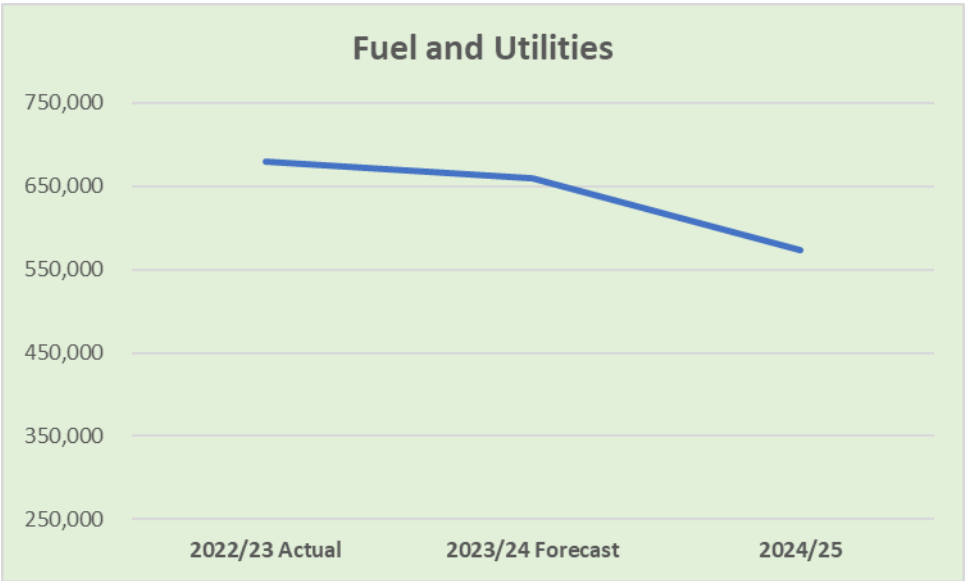
HRA and its wholly owned housing companies since PWLB is its main source of capital financing. This could ultimately impact on the council's financial return.

Inflation

- 4.18. Most budgets are cash limited. The Consumer Prices Index (CPI) rose by 4.6% in the 12 months to October 2023 down from 6.7% in September. The most significant impact is on materials purchased in respect of repairs and maintenance and the council's capital programme, for which budgetary provision has been made. Provision has been made for specific contracts the Council has which contractual holds the Council to awarding inflationary increases many of which are linked to national recorded metrics such as CPI.
- 4.19. It is expected that this measure will continue to fall during the next financial year and is expected to hit the bank of BoE inflation target of 2% by the end of the 2024/25.

Utility Costs

4.20. As outlined in the interim MTFs, although energy prices are still high, pressure is falling on energy budgets and the Council is part of a fixed price contract which affords some certainty over prices. The chart below indicates that actual expenditure is falling, and current budget provision is adequate.



4.21. During 2024/25 the utility contract will be retendered. Officers are working to secure further reduction in the unit prices, the budgeted provision will be reviewed once the new arrangements are in place.

Pay Assumptions

4.22. The Interim MTFs assumptions for pay increases for 2024/25 of £0.684m, have been provided for in the 2024/25 budget. These are held in a central contingency until negotiations are complete.

4.23. Pay related cost in the budget includes the following:

- Adjustment to the base budget to reflect the final 2023/24 staff pay award of £1,925 per FTE post under £49,950 and 3.88% for salaries above agreed in November 2023, compared to the base budget position of 4%.
- Contractual increments where staff are not at the top of their pay grade for 2024/25, resulting in a budgeted provision of £0.040m.

4.24. Inflationary assumptions and the associated budgeted value over the interim MTFS are as follows:

MTFS for	Budget Assumption (average rise)	Budget Provision General Fund £m	Budget Provision HRA £m
2024/25	5.0%	£0.684m	£0.091m
2025/26	2.5%	£0.356m	£0.112m
2026/27	2.5%	£0.365m	£0.051m
2027/28	2.5%	£0.375m	£0.052m

Pensions

4.25. The Medium-Term Financial Strategy includes an increase from the current contribution in line with pay inflation increase and takes account of the Triennial Review period up to 31 March 2026.

Employer Pension Costs

4.26. The approach will be consistent with the actions agreed following the current actuarial review of the East Sussex Local Government Pension Fund on 31 March 2022; the outcome has been profiled into the budget for the three years to 2027/28.

4.27. The 2022 valuation confirmed that the Fund's total assets, which at 31 March 2022 were valued at £194.0m. There was an improvement in the reported funding level from 102.2% to 116.8% and a change in the funding surplus from £3.22m to a surplus of £28.0m.

4.28. 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 from April 2023 to March 2026 have been set in accordance with this requirement.

4.29. For Lewes District Council the employer pension contribution rates for 2023/24, 2024/25, & 2025/26 will be 22.85% per annum, which were based on an annual primary rate of 23.9% reduced by 1.8% secondary rate plus 0.75% relating to the Early Retirement and Voluntary Severance (ERVS) Scheme.

4.30. The next actuarial review will be on 31 March 2025 and the revised contribution schedule with any budget implications will be built into budgets for 2026/27 onwards.

4.31. For 2023/24 this budget reflects the outcome of the 2022 Pension Fund Revaluation and the funding options offered to employers by the Fund.

4.32. As part of budget-setting 2024/25, the approved approach will be:

- To pay the primary employer contribution rate at 23.9% of salaries. This has been factored into the 2023/24 base budget.

- To reduce the annual primary contribution above by the secondary employer credit/rate at -1.8%.
- To pay the 0.75% relating to the Early Retirement and Voluntary Severance (ERVS) Scheme.
- To continue to rebuild the Pensions Reserve ready for the next revaluation in 2025.

Capital Financing Costs

4.33. Capital financing for the draft Capital Programme is detailed in Section 5. Given the budgetary pressures experienced from the Council no revenue contributions have been assumed to finance capital which is largely funded by internal borrowing and an assumption of external borrowing in future years when market conditions allow, the revenue implications of which have been included in the budget.

	23/24	24/25	25/26	26/27	27/28
Capital Financing Costs	£0.100m	£0.900m	£1.627m	£2.188m	£2.565m

Budget 2023/24

4.34. At Cabinet on the 7th of December the Council reported a projected overspend of £0.532m due to the backdrop of increased cost of goods and services, reduction in budgeted income and pressures in demand for services such as rising homelessness being supported.

4.35. There were also pressures following the conclusion and agreement of the pay award for 2023/24 which was above (estimated as £0.14m) the budgeted pay award of 4% allowed for.

4.36. Within the proposed budget for 2024/25, a provision of £0.4m has been made to adjust the baseline and support the budget pressures experienced in 2023/24 which may continue into 2024/25.

Contingencies

4.37. The 2023-24 budget included a general contingency of £0.350m. This contingency has proved useful in managing the budget for the current financial year and is built into the budget for a further year.

4.38. For 2024/25, a number of contingencies are also available to cover any associated risks within the budget and will be available to adjust budgets, if necessary, given the uncertainty of the economic recovery and subsequent demand for services. The following contingencies have been built into the budget for 2024/25.

	£	
Cost of living (shared service contract)	684,000	Staffing cost of living increases expected in 2024/25
Contract Inflation	500,000	New contingency for in year inflationary increases to contracts
Neighbourhood First	400,000	To support the review of the neighbour first service
Service Demand Pressures	300,000	New contingency for budget pressures expected to continue into 2024/25
	£1,884,000	

4.39. The release of contingencies will be at the discretion of the Director of Finance & Performance in consultation with the Finance portfolio holder.

Fees and Charges

4.40. Discretionary Fees and Charges have been increased by 10% for 2024/25 with Statutory (i.e., set by Government) fees for Planning increasing by 25%.

4.41. Details of specific fees and charges increases in 2024/25 are given in Appendix 5 the impact of these has been incorporated into the budget which results in an increase in income of £0.507m.

Budget Growth, efficiencies and pressures built into the budget.

4.42. Budget growth is shown in the following categories:

Service Planning Growth £1.27m

Following on from the Service Planning work undertaken earlier this year, £1.24m of growth has been built into budgets. The most material of these pressures are as follows:

- Property & Asset Management Staffing £0.101m – the cost of running this service is higher than budget and needs to increase to reflect the ongoing service pressures.
- Port Health Posts £0.322m – increased base budget provision for the now legislated cost of running the Port Health Regulatory Service.
- Ringmer Swimming Pool £0.150m - LDC is taking a lease of Ringmer Swimming Pool from ESCC and intends to sub-let to Wave Active Limited. Requirement for additional revenue to support costs of Wave managing the facility, utilities, and other outgoings. Ongoing increase in base budget.

Service Planning Efficiencies £1.04m

The Service Planning work also identified Efficiencies, Income Generation, and removals of one-off budget requirements across a number of the council's budget lines.

- A reversal of £0.25m from the Strategic Change reserve to fund local elections.
- Waste and recycling savings £0.56m. Various budget savings, budgets no longer required and savings in fuel and vehicle costs.
- Various savings in Tourism and Regeneration £0.05m

Budget line reviews £1.06m

During the construction of the Quarter 2 Budget Forecast work a detailed review of (mainly low value) budget lines was undertaken to assess whether all budgets were likely to be needed or used by year end using 22/23 actuals and 23/24 spend so far to make an assessment. The results of the exercise were scrutinised by CMT and Finance Business Partners and some have now been included in budgets as permanent reductions. This is good financial Housekeeping and should be undertaken on an annual or biannual basis to ensure that the councils limited funds are directed to the council's priorities.

5. GENERAL FUND CAPITAL PROGRAMME

- 5.1. While Revenue Budget expenditure is concerned with the day-to-day running of services, the Capital Programme is concerned with investment in the assets required to deliver services or the delivery of new income streams. The Capital Programme sets out how capital resources will be used to achieve the Council's vision and corporate priorities.
- 5.2. The latest General Fund Programme 24/25 to 27/28, shown in Appendix 4, details £191.135m (GF of £74.764m and HRA £116.371m) of investment over those four years.
- 5.3. 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.
- 5.4. 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 the financial plans and to demonstrate that the capital investment is affordable. The revenue and capital budgets are integrated with the financial impact of the proposed Capital Programme, being reflected in the Revenue Budget estimates.
- 5.5. 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.
- 5.6. The efficient and effective use of capital resources, including sound asset management, is fundamental to achieving the Council 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.
- 5.7. 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.
- 5.8. The strategic objectives of our Capital Programme can be summarised as follows:
- i.* To maintain a four-year rolling Capital Programme which remains within the approved affordable, sustainable and prudential limits;
 - ii.* 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;
 - iii.* To identify opportunities for investment in new schemes that result in capital growth and/or new revenue income streams;
 - iv.* To maximise available resources by actively seeking external funding to support Council priorities and disposing of surplus assets; and
 - v.* To use internal resources alongside external resources where appropriate to support the Capital Programme and minimise any borrowing costs.

- 5.9. 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.

Housing Revenue Account Capital Programme

- 5.10. The draft HRA Capital Programme forms part of the HRA Business Plan that will be presented to Cabinet in February 2024. Resources to fund the Programme are largely generated through housing rents and are detailed with the HRA Business Plan. Appendix 4 provides a summary of the HRA capital programme over the four years 24/25 to 27/28 totalling £116.4m.

- 5.11. The Tenants of Lewes District (TOLD) have been consulted on the Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-28. The proposed rent increase reflects the requirements under The Direction on the Rent Standard 2019 together with the Rent Policy Statement for Social Housing February 2020.

6. LEGAL IMPLICATIONS

- 6.1. Section 151 of the Local Government Act 1972 requires that every local authority make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.
- 6.2. Sections 42A of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.
- 6.3. The Chief Finance Officer, appointed under section 151 mentioned above, has a duty to report on the robustness of estimates and adequacy of reserves under section 25 of the Local Government Act 2003.

7. FINANCIAL IMPLICATIONS

- 7.1. These are covered within the main body of the report Legal Implications 113. Section 30 of the Local Government Finance Act 1992 requires that a local authority 'must set a balanced budget and council tax before the 11th March in the financial year preceding that for which it is set'.
- 7.2. The Local Government Act 2000 in particular Section 9 states that it is the responsibility of the full council, on the recommendation of the executive to approve the budget and related council tax demand.
- 7.3. The Local Government Act 2003, section 25 requires the Council's Section 151 Officer to report to the council on the robustness of the estimates made and the adequacy of the proposed financial reserves assumed in the budget calculations. This will be done at Council in February 2024 when the Budget is approved.
- 7.4. Failure to set a legal budget may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999.
- 7.5. The S151 Officer will submit her Section 25 report on the robustness of estimates and adequacy of reserves to Full Council in February 2024. This report will be based on a

detailed financial resilience and stress test of the Council's proposed income and expenditure plans.

8. RISK IMPLICATIONS

- 8.1. The increasing cost of goods and services, increases in homelessness and temporary accommodation placements and the increased cost of servicing council capital investments will have an impact on the council's finances for the foreseeable future.
- 8.2. Aligned to that is the uncertainty future around local government funding reform in a General Election year.
- 8.3. In spite of these issues and other risks around expenditure which are explained in the report the Council has been able to set a balanced budget in 2024/25.

9. EQUALITIES AND FAIRNESS ANALYSIS

- 9.1. An Equality and Fairness Analysis has been undertaken as part of the budget preparation process. It is not anticipated that there will be any issues which will have an adverse impact on those from protected groups.
- 9.2. However, more detailed analysis will be undertaken once the budget is agreed, to ensure that any budgetary changes to services do not inadvertently create discriminative impact on those with protected characteristics, or that any potential discriminative impact is fully mitigated by proactive measures.

10. CONCLUSION

10.1. The Council faces considerable financial challenges in the medium term, primarily relating to changes and uncertainty in both public finances and the wider economic environment.

10.2. Appendices

- Appendix 1 Medium Term Financial Strategy 2024/25 to 2027/28
- Appendix 2 Budget Summary by Directorate & Service 2024/25
- Appendix 3 Budget Summary by CIPFA classification 2024/25
- Appendix 4 General Fund & HRA Capital Programme 2023/24 to 2027/28
- Appendix 5 Reserves Analysis
- Appendix 6 Proposed Fees and Charges 2024/25

Background Papers

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

- Local Government Finance Settlement 2024/25
- Draft Medium Term Financial Strategy 2024/25 to 2027/28

APPENDIX 1

Lewes District Council

	2023/24	2024/25	2025/26	2026/27	2027/28
Lewes District Council Summary MTFP 24/25 to 27/28	Base for 23/24	Proposed Budget	Net Budget	Net Budget	Net Budget
	£000				
TOTAL FINANCING	(15,603)	(16,487)	(16,852)	(17,303)	(17,824)
NET EXPENDITURE	16,279	15,587	16,801	16,929	17,395
Net Capital Financing Costs (including Capital Finance Reserve transfers)	(779)	900	1,627	2,188	2,565
REVISED EXPENDITURE	15,500	16,487	18,428	19,117	19,960
Unfunded Emergency Accomodation	635	635	635	635	635
General Reserves Funding	(532)	(635)			
REVISED EXPENDITURE	15,603	16,487	19,063	19,752	20,595
BUDGET SHORTFALL	0	0	2,210	2,449	2,770

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APPENDIX 2					
LEWES 2024/25 Budget Setting					
£					
Services	2023/24 Revised Budget	Pay and prices inflation	Service Planning and Efficiencies	Other	24/25
Corporate Management Team	521,053	5,851	(50,320)	0	476,584
Finance and Performance	2,059,211	100,458	100,131	6,151	2,265,951
Human Resources	348,476	16,113	0	0	364,589
Business Transformation	1,705,779	34,200	58,500	(33,115)	1,765,364
Legal/Land Charges/Democratic Services	1,583,493	53,819	(417,120)	0	1,220,192
Total Corporate Services	6,218,012	210,441	(308,809)	(26,964)	6,092,680
Customer First	2,459,351	(17,385)	(54,077)	0	2,387,889
Neighbourhood First	6,122,116	56,299	(693,837)	0	5,485,905
Homes First	2,287,169	174,466	0	360,461	2,822,096
Total Service Delivery	10,868,636	213,380	(747,914)	360,461	10,695,890
Estates and Property	76,129	(201)	27,463	0	103,391
Planning and Building Control	630,321	(185,675)	148,300	(5,000)	587,946
Regeneration	660,999	(1,902)	(14,891)	16,000	660,206
Total Regeneration and Planning	1,367,449	(187,778)	160,872	11,000	1,351,543
Tourism and Culture	292,398	1,529	(15,000)	44,000	322,927
Total Tourism and Culture	292,398	1,529	(15,000)	44,000	322,927
HRA Recharges	(4,111,241)	(91,677)	0	(554,369)	(4,757,287)
Centrally Managed	867,840	0	0	1,016,160	1,881,182
Capital Financing	(603,000)	0	0	(886,000)	(1,489,000)
Minimum Revenue Provision	703,000	0	0	579,000	1,282,000
Capital Financing Reserve	0	0	0	1,107,000	1,107,000
Other Operating Income & Expenditure	(3,143,401)	(91,677)	0	1,261,791	(1,976,105)
NET BUDGET	15,603,094	145,895	(910,851)	1,650,288	16,486,935
Funding					
Net Council Tax	(8,831,397)	0	0	(52,819)	(8,884,216)
Net Business Rates	(3,919,877)	0	0	(1,530,923)	(5,450,800)
Net Grants and Contributions	(1,642,733)	0	0	(586,734)	(2,229,467)
Transfer to/from Reserves	(1,209,087)	0	0	1,286,635	77,548
Total Financing	(15,603,094)	0	0	(883,841)	(16,486,935)
Bottom Line	0	145,895	(910,851)	766,447	0

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APPENDIX 3

LEWES 2024/25 Budget Setting

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CIPFA Analysis	2023/24 Revised Budget	Pay and prices inflation	Service Planning and Efficiencies	Other	Base 24/25 Budget
Employees	1,380,526	37,731	(490,491)	0	927,766
Premises	2,791,327	0	(117,927)	0	2,673,400
Supplies & Services	4,707,442	5,059	37,390	1,200,500	5,948,900
Support Services	(4,209,720)	(91,677)	(114,250)	(531,010)	(4,946,657)
Transport	1,438,900	0	(757,941)	(93,782)	587,177
Third Party Payments	17,993,383	701,752	483,988	244,347	19,423,470
Transfer Payments	29,231,100	0	0	0	29,231,100
Income	(37,829,864)	(506,970)	48,380	30,233	(38,258,221)
Capital Financing	100,000	0	0	800,000	900,000
Total	15,603,094	145,895	(910,851)	1,650,288	16,486,935
Funding					
Net Council Tax	(8,831,397)	0	0	(52,819)	(8,884,216)
Net Business Rates	(3,919,877)	0	0	(1,530,923)	(5,450,800)
Net Grants and Contributions	(1,642,733)	0	0	(586,734)	(2,229,467)
Transfer to/from Reserves	(1,209,087)	0	0	1,286,635	77,548
Total Financing	(15,603,094)	0	0	(883,841)	(16,486,935)
Bottom Line	0	145,895	(910,851)	766,447	0

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APPENDIX 4 - GF & HRA CAPITAL PROGRAMME 2024/25 TO 2027/28

LDC CAPITAL PROGRAMME 2023/24 to 2027/28	Proposed Revised Programme 2023/24 £	Proposed Programme 2024/25 £	Proposed Programme 2025/26 £	Proposed Programme 2026/27 £	Proposed Programme 2027/28 £	Total Programme Costs 24/25 to 27/28 £
Housing Revenue Account						
Development Schemes (New Acquisitions & New Build)	12,444,000	8,200,000	27,017,000	28,966,000	20,102,000	84,285,000
Major Works & Improvements	6,615,000	8,720,000	8,891,000	7,050,000	7,157,000	31,818,000
Housing Estates Recreation and Play Areas	50,000	53,000	54,000	55,000	56,000	218,000
Lifeline Replacement		50,000				50,000
Total Housing Revenue Account	19,109,000	17,023,000	35,962,000	36,071,000	27,315,000	116,371,000
General Fund Housing						
Private Sector Housing Support	270,000	135,000	135,000	135,000	135,000	540,000
Mandatory Disabled Facilities Grants	1,216,000	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Total General Fund Housing	1,486,000	1,135,000	1,135,000	1,135,000	1,135,000	4,540,000
Loans to Housing Companies - facilitate delivery of new homes						
Aspiration Homes		500,000	500,000	419,000		1,419,000
Total Loans to Housing Companies	-	500,000	500,000	419,000	-	1,419,000
Total General Fund Housing	1,486,000	1,635,000	1,635,000	1,554,000	1,135,000	5,959,000
Total HRA & GF Housing	20,595,000	18,658,000	37,597,000	37,625,000	28,450,000	122,330,000
General Fund Non-Housing Capital Programme						
Regeneration						
Commercial Property Acquisition & Development	1,000,000					-
North Street Quarter	335,000	150,000				150,000
Future High Streets Fund (Grant)	1,972,000					-
Future High Streets Fund (Borrowing)	1,624,000	8,107,000	4,900,000			13,007,000
Newhaven Town Deal - Re-connecting our Town Strategic Programme	1,087,000	1,511,000	386,000			1,897,000
Newhaven Town Deal - Building our Economic Strength Strategic Programme	1,215,000					-
Newhaven Town Deal - Re-Imagining Our Town Centre Strategic Programme	6,000					-
Newhaven Town Deal - An Active Community Strategic Programme	1,670,000	1,548,000				1,548,000
Newhaven Town Deal - Destination Newhaven Strategic Programme	2,732,000	2,286,000	2,042,000			4,328,000
Newhaven Town Deal - Maintaining Maritime Vitality: Marine Gateway	1,134,000					-
Levelling Up Fund - New Fish Landing Stage, Newhaven	130,000	5,540,000	596,000			6,136,000
Levelling Up Fund - Fish Processing Plant, Newhaven	361,000					-
Levelling Up Fund - Newhaven West Beach Restaurant	480,000	3,501,000				3,501,000
Marine Workshops (UTC)	1,171,000					-
Newhaven Enterprise centre	15,000					-
UK Shared Prosperity Fund Projects	71,000	145,000				145,000
Property & Development - Castle Wall	295,000					-
Asset Development Newhaven	97,000					-
Robinson Road Depot Development	800,000	4,000,000	200,000			4,200,000
Total Regeneration	16,195,000	26,788,000	8,124,000	-	-	34,912,000
Asset Management						
Asset Management - block allocation	198,000	100,000	100,000	100,000	100,000	400,000
Car Parks - Health & Safety	20,000					-
Flint Walls Repairs	30,000	30,000	30,000	30,000	30,000	120,000
Public Conveniences - Health & Safety and Improvement	12,000	100,000				100,000
Stanley Turner Changing Rooms Improvements	45,000	350,000	10,000	10,000	-	370,000
Market Tower/Square	94,000	150,000				150,000
School Hill House	200,000	100,000	100,000			200,000
187/2 Fisher Street Health & Safety	26,000	500,000	250,000			750,000
Thebes Annex Roof Replacement	-	-	100,000			100,000
Church Street Bridges resurfacing	-	30,000				30,000
Convent Field Changing Rooms improvements	-		30,000			30,000
Westgate Street Castle Wall H&S	150,000	500,000				500,000
Revolving Loan Fund - Community-Led Housing	-	350,000				350,000
Sustainable energy investment	-	250,000				250,000
Total Asset Management	775,000	2,460,000	620,000	140,000	130,000	3,350,000
Indoor Leisure Facilities						
Indoor Leisure Facilities - block allocation	1,477,000	300,000	300,000	300,000		900,000
Wave Leisure Trust Ltd - Project at LDC Sites	250,000	809,000				809,000
Seahaven Swim and Fitness, roof	800,000	800,000				800,000
Total Indoor Leisure Facilities	2,527,000	1,909,000	300,000	300,000	-	2,509,000
Energy Schemes						
Local Energy Schemes	250,000	3,645,000	4,000,000	1,950,000		9,595,000
Community/climate initiatives	250,000	250,000	250,000	250,000		750,000
Total Energy Schemes	500,000	3,895,000	4,250,000	2,200,000	-	10,345,000
Community Infrastructure Levy	1,486,000	900,000	900,000	900,000	-	2,700,000
Service Delivery						
Vehicle Replacement Programme	3,500,000		1,100,000			1,100,000
Wheelie bins	964,000	35,000	35,000	35,000	35,000	140,000
Food Caddies	35,000	15,000	15,000	15,000	15,000	60,000
EV Charge points and car clubs	150,000					-
Bell lane rec - rain garden	70,000					-
Rewilding and nature restoration	20,000					-
Stanley Turner/Cockshut	600,000					-
Upper Ouse Project	50,000					-

LDC CAPITAL PROGRAMME 2023/24 to 2027/28	Proposed Revised Programme 2023/24 £	Proposed Programme 2024/25 £	Proposed Programme 2025/26 £	Proposed Programme 2026/27 £	Proposed Programme 2027/28 £	Total Programme Costs 24/25 to 27/28 £
Play areas project	400,000					-
Cliff top fencing	-	40,000				40,000
Burial records digitalisation	50,000					-
Car Park machine	125,000					-
New Crematorium & Green Burial Facility	96,000	6,900,000	2,000,000			8,900,000
Installation of cycle parking in car parks	-	10,000				10,000
Sustainability - Peacehaven Car Club	-	25,000				25,000
Equipment Renewal	50,000	50,000	50,000	50,000	50,000	200,000
Bins and Food Caddy Replacement	-	177,000	72,000	177,000		426,000
Food Waste Collection	115,000	115,000	150,000	150,000	150,000	565,000
Total Service Delivery	6,225,000	7,367,000	3,422,000	427,000	250,000	11,466,000
Specialist						
Flood Protection Measures	205,000	136,000	136,000	136,000		408,000
Coastal Defence Works	500,000	100,000	100,000	100,000		300,000
Total Specialist	705,000	236,000	236,000	236,000	-	708,000
Parks & Pavilions						
Parks & Pavilions - Improvements & Replacement Equipment	1,045,000	200,000	200,000	200,000		600,000
Southover Garden Improvements	8,000					-
Fort Road, Newhaven (incl Tennis & Muga)	-					-
Total Parks & Pavilions	1,053,000	200,000	200,000	200,000	-	600,000
Open Space / Biodiversity						
Stanley Turner Stream Realignment	220,000					-
Denton Park Improvement Scheme	27,000					-
Funds for local groups for Biodiversity Projects	16,000					-
Wildlife Planting / Habitat creation in parks	60,000					-
Land for Biodiversity	20,000					-
Creation of wildflower seed areas	16,000					-
Tree Planting	15,000					-
Town & Parish Council - joint working /grants	25,000					-
Newhaven / Peacehaven Coastal Park	120,000					-
Land at Lewes Brooks	270,000					-
Total Open Space - Biodiversity	789,000	-	-	-	-	-
Information Technology	334,000	150,000	150,000	150,000		450,000
Laptop Refresh	63,000					-
Information Technology	397,000	150,000	150,000	150,000	-	450,000
Digital Transformation						
Transformation Project Rebase	607,000					-
Finance System				200,000		200,000
Telsolutions for Council Tax		10,000				10,000
Smart Technology and Robotics		210,000	50,000	50,000	50,000	360,000
HR/Payroll/ERP			130,000			130,000
Planning System			210,000			210,000
Archive systems			20,000			20,000
CRM/ DMS/ Workflow				200,000		200,000
Housing Management System					200,000	200,000
Paperless Meeting Management System					100,000	100,000
Housing Compliance System		35,000				35,000
Total Digital Transformation	607,000	255,000	410,000	450,000	350,000	1,465,000
Corporate						
Finance Transformation		150,000	150,000			300,000
Total Corporate	-	150,000	150,000	-	-	300,000
Total HRA	19,109,000	17,023,000	35,962,000	36,071,000	27,315,000	116,371,000
Total General Fund	32,745,000	45,945,000	20,397,000	6,557,000	1,865,000	74,764,000
Total HRA & GF Programme	51,854,000	62,968,000	56,359,000	42,628,000	29,180,000	191,135,000

HRA Financing

Capital Receipts	9,697,000	7,195,000	1,953,000	3,902,000	2,320,000	15,370,000
Major Repairs Reserve	6,665,000	8,720,000	6,045,000	7,051,000	7,157,000	28,973,000
Revenue	94,000	1,108,000	757,000	136,000	349,000	2,350,000
Grants & Contributions	2,653,000	-	6,120,000	1,450,000	4,438,000	12,008,000
Borrowing	-	-	21,087,000	23,532,000	13,051,000	57,670,000
Total	19,109,000	17,023,000	35,962,000	36,071,000	27,315,000	116,371,000

GF Financing

Capital Receipts	-	8,870,000	-	-	-	8,870,000
Reserves	-	-	-	-	-	-
Revenue	-	-	-	-	-	-
Grants & Contributions	14,759,000	16,432,000	4,924,000	1,900,000	1,000,000	24,256,000
Borrowing	17,986,000	20,643,000	15,473,000	4,657,000	865,000	41,638,000
Total	32,745,000	45,945,000	20,397,000	6,557,000	1,865,000	74,764,000

Total Financing

LDC CAPITAL PROGRAMME 2023/24 to 2027/28	Proposed Revised Programme 2023/24 £	Proposed Programme 2024/25 £	Proposed Programme 2025/26 £	Proposed Programme 2026/27 £	Proposed Programme 2027/28 £	Total Programme Costs 24/25 to 27/28 £
Capital Receipts	9,697,000	16,065,000	1,953,000	3,902,000	2,320,000	24,240,000
Reserves	6,665,000	8,720,000	6,045,000	7,051,000	7,157,000	28,973,000
Revenue	94,000	1,108,000	757,000	136,000	349,000	2,350,000
Grants & Contributions	17,412,000	16,432,000	11,044,000	3,350,000	5,438,000	36,264,000
Borrowing	17,986,000	20,643,000	36,560,000	28,189,000	13,916,000	99,308,000
Total	51,854,000	62,968,000	56,359,000	42,628,000	29,180,000	191,135,000

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APPENDIX 5 - RESERVES	2023/24			2024/25			2025/26		
	B/Fwd	Planned use	Note	C/fwd	Expected Use	Note	C/fwd	Expected Use	Note
Earmarked Reserves									
Strategic Change	(872,000)	160,782		(711,218)	(110,250)	6	(821,468)		
Asset Maintenance	(1,318,000)	960,333		(357,667)			(357,667)		
Vehicles & Equipt Replacement	(500,000)	227,471		(272,529)			(272,529)		
Revenue Grants & Contributions	(1,327,000)	765,036		(561,964)			(561,964)		
Managing in Year Economic Downturn	0	0		0			0		
Business Rates Equalisation Reserve	(861,000)	861,000	1	0	(200,000)	5	(200,000)	(200,000)	5
Income Protection Reserve	(125,000)	0		(125,000)			(125,000)		
Capital Financing Support Reserve	(500,000)	0		(500,000)			(500,000)		
Community Grants Reserve	(105,000)	0		(105,000)			(105,000)		
Cost of Living Pressures Reserve	(700,000)	341,912	2	(358,088)	225,000	3,4	(133,088)		
Newhaven Enterprise Zone Reserve	0	(400,000)		(400,000)	(666,000)	6	(1,066,000)	(666,000)	6
Resilience	(750,000)	0		(750,000)	50,000	5	(700,000)	250,000	4
Capital Receipts	(132,000)	0		(132,000)			(132,000)		
Sold Flats Maintenance	(86,339)	0		(86,339)			(86,339)		
	(7,276,339)	2,916,533		(4,359,805)	(701,250)		(5,061,055)	(616,000)	
General Fund	(3,998,000)	118,889		(3,879,111)			(3,879,111)		
Total Earmarked and General Fund	(11,274,339)	3,035,422		(8,238,916)	(701,250)		(8,940,166)	(616,000)	

1. £939k budgeted to come from this reserve in 2023/24 - balance from general fund
2. Housing options and wellbeing planned use
3. £125k for 1 year funded sustainability officers after which they should be self funding
4. Transfer £100k to Resilience Reserve to part fund Local Plan
5. £100k transfer in from Sustainability Reserve. £150k for funding of Local Plan in 24/25 and £250k in 25/26
6. £200k to move from Newhaven Enterprise Zone reserve to Business Rates Equalisation Reserve - relating to the 20% relief element. 2023/24 input £400k, 24/25 input £866k
7. Annual transfer from Legal and Democratic Services for Elections

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APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25		2023/24 charge (inc VAT) £	2024/25				VAT	Statutory/ Discretionary
			Proposed charge £		Increase			
			Min	Max	£	%		
CAR PARKING (OFF STREET)								
Central Lewes - short stay	up to 30 mins	0.60		0.70	0.10	17%	Included	Discretionary
	up to 1 hour	0.80		0.90	0.10	13%	Included	Discretionary
	up to 2 hours	1.80		2.00	0.20	11%	Included	Discretionary
Central Lewes - medium stay	up to 1 hour	0.80		0.90	0.10	13%	Included	Discretionary
	up to 2 hours	1.70		1.90	0.20	12%	Included	Discretionary
	up to 3 hours	2.60		2.90	0.30	12%	Included	Discretionary
	up to 4 hours	3.50		3.85	0.35	10%	Included	Discretionary
Outer Lewes - long stay	up to 1 hour	0.70		0.80	0.10	14%	Included	Discretionary
	up to 2 hours	1.40		1.55	0.15	11%	Included	Discretionary
	up to 3 hours	2.20		2.45	0.25	11%	Included	Discretionary
	up to 4 hours	2.90		3.20	0.30	10%	Included	Discretionary
	over 4 hours	4.10		4.55	0.45	11%	Included	Discretionary
Brook Street, Lewes	all day	1.90		2.10	0.20	11%	Included	Discretionary
Newhaven and Seaford (including multi-storey)	up to 30 mins	0.60		0.70	0.10	17%	Included	Discretionary
	up to 1 hour	0.80		0.90	0.10	13%	Included	Discretionary
	up to 2 hours	1.10		1.25	0.15	14%	Included	Discretionary
	up to 3 hours	1.30		1.45	0.15	12%	Included	Discretionary
	up to 4 hours	1.80		2.00	0.20	11%	Included	Discretionary
	over 4 hours	2.20		2.45	0.25	11%	Included	Discretionary
Commercial vendors (All sites)	per day (sliding scale) (0 to 501)	501.00	0.00	551.10	50.10	10%	exempt	Discretionary
Infringement of Parking Order	Penalty Charge Notice	50.00		55.00	5.00	10%	exempt	Discretionary
	- if paid in 14 days	25.00		27.50	2.50	10%	exempt	Discretionary
ELECTRIC VEHICLE CHARGERS								
	10 minutes	3.50		3.85	0.35	10%	Included	Discretionary
	per minute thereafter	0.25		0.30	0.05	20%	Included	Discretionary
ANIMAL WARDENS								
Statutory Charge	per stray dog	25.00		25.00	0.00	0%	exempt	Statutory
Seizure Charge	per stray dog	30.00		33.00	3.00	10%	Included	Discretionary
Return of Dog		45.00		49.50	4.50	10%	Included	Discretionary
Kennelling	per day	25.00		27.50	2.50	10%	Included	Discretionary
PORT HEALTH								
Ships up to 1000 gross tonnage	Ship Sanitation Certificates (Statutory Fee)	125.00		137.50	12.50	10%	exempt	Discretionary
Ships 1001 to 3000 gross tonnage	Ship Sanitation Certificates (Statutory Fee)	170.00		187.00	17.00	10%	exempt	Discretionary
Ships 3001 to 10000 gross tonnage	Ship Sanitation Certificates (Statutory Fee)	250.00		275.00	25.00	10%	exempt	Discretionary
Ships 10001 to 20000 gross tonnage	Ship Sanitation Certificates (Statutory Fee)	325.00		357.50	32.50	10%	exempt	Discretionary
Ships 20001 to 30000 gross tonnage	Ship Sanitation Certificates (Statutory Fee)	415.00		456.50	41.50	10%	exempt	Discretionary
Ships > 30001 gross tonnage	Ship Sanitation Certificates (Statutory Fee)	480.00		528.00	48.00	10%	exempt	Discretionary
Vessels with 50 - 1000 persons	Ship Sanitation Certificates (Statutory Fee)	480.00		528.00	48.00	10%	exempt	Discretionary
Vessels with more than 1000 persons	Ship Sanitation Certificates (Statutory Fee)	820.00		902.00	82.00	10%	exempt	Discretionary
Extensions	Ship Sanitation Certificates (Statutory Fee)	95.00		104.50	9.50	10%	exempt	Discretionary
Sampling costs	Ship Sanitation Certificates (Statutory Fee)	154.00	132.00	169.40	15.40	10%	exempt	Discretionary
<i>Please see website for full list of charges</i>								
PUBLIC HEALTH								

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25		2023/24 charge (inc VAT) £	2024/25				VAT	Statutory/ Discretionary
			Proposed charge £		Increase			
			Min	Max	£	%		
CAR PARKING (OFF STREET)								
Food Hygiene Courses	Currently not available	n/a	n/a				<i>standard</i>	Discretionary
Private Water Supplies		Cost	Cost				<i>standard</i>	Discretionary
PRIVATE SECTOR HOUSING								
Houses in Multiple Occupation								
Shared House								
5 Persons	Initial Fee	941.00	1,040.00	99.00	11%	<i>exempt</i>		Discretionary
6 Persons	Initial Fee	956.00	1,055.00	99.00	10%	<i>exempt</i>		Discretionary
7 Persons	Initial Fee	971.00	1,070.00	99.00	10%	<i>exempt</i>		Discretionary
8 Persons	Initial Fee	986.00	1,085.00	99.00	10%	<i>exempt</i>		Discretionary
9 Persons	Initial Fee	1,001.00	1,105.00	104.00	10%	<i>exempt</i>		Discretionary
Bedsit Type of Accommodation								
2 Bedsits	Initial Fee	1,060.00	1,170.00	110.00	10%	<i>exempt</i>		Discretionary
3 Bedsits	Initial Fee	1,120.00	1,235.00	115.00	10%	<i>exempt</i>		Discretionary
4 Bedsits	Initial Fee	1,180.00	1,300.00	120.00	10%	<i>exempt</i>		Discretionary
5 Bedsits	Initial Fee	1,239.00	1,365.00	126.00	10%	<i>exempt</i>		Discretionary
6 Bedsits	Initial Fee	1,300.00	1,430.00	130.00	10%	<i>exempt</i>		Discretionary
Hostel Type Accommodation								
Up to 10 Persons	Initial Fee	941.00	1,040.00	99.00	11%	<i>exempt</i>		Discretionary
11 to 20 Persons	Initial Fee	1,239.00	1,365.00	126.00	10%	<i>exempt</i>		Discretionary
21 to 40 Persons	Initial Fee	1,537.00	1,695.00	158.00	10%	<i>exempt</i>		Discretionary
41 to 60 Persons	Initial Fee	1,835.00	2,020.00	185.00	10%	<i>exempt</i>		Discretionary
61 to 80 Persons	Initial Fee	2,133.00	2,350.00	217.00	10%	<i>exempt</i>		Discretionary
More than 81 Persons	Initial Fee	2,341.00	2,580.00	239.00	10%	<i>exempt</i>		Discretionary
Shared House								
5 Persons	Renewal Fees	660.00	730.00	70.00	11%	<i>exempt</i>		Discretionary
6 Persons	Renewal Fees	673.00	745.00	72.00	11%	<i>exempt</i>		Discretionary
7 Persons	Renewal Fees	685.00	755.00	70.00	10%	<i>exempt</i>		Discretionary
8 Persons	Renewal Fees	697.00	770.00	73.00	10%	<i>exempt</i>		Discretionary
9 Persons	Renewal Fees	709.00	780.00	71.00	10%	<i>exempt</i>		Discretionary
Bedsit Type of Accommodation								
2 Bedsits	Renewal Fees	757.00	835.00	78.00	10%	<i>exempt</i>		Discretionary
3 Bedsits	Renewal Fees	806.00	890.00	84.00	10%	<i>exempt</i>		Discretionary
4 Bedsits	Renewal Fees	854.00	940.00	86.00	10%	<i>exempt</i>		Discretionary
5 Bedsits	Renewal Fees	901.00	995.00	94.00	10%	<i>exempt</i>		Discretionary
6 Bedsits	Renewal Fees	950.00	1,045.00	95.00	10%	<i>exempt</i>		Discretionary
Hostel Type Accommodation								
Up to 10 Persons	Renewal Fees	660.00	730.00	70.00	11%	<i>exempt</i>		Discretionary
11 to 20 Persons	Renewal Fees	901.00	995.00	94.00	10%	<i>exempt</i>		Discretionary
21 to 40 Persons	Renewal Fees	1,143.00	1,260.00	117.00	10%	<i>exempt</i>		Discretionary
41 to 60 Persons	Renewal Fees	1,384.00	1,525.00	141.00	10%	<i>exempt</i>		Discretionary
61 to 80 Persons	Renewal Fees	1,625.00	1,790.00	165.00	10%	<i>exempt</i>		Discretionary
More than 81 Persons	Renewal Fees	1,866.00	2,055.00	189.00	10%	<i>exempt</i>		Discretionary

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25			2023/24 charge (inc VAT) £	2024/25		VAT	Statutory/ Discretionary		
				Proposed charge £				Increase	
CAR PARKING (OFF STREET)				Min	Max	£	%		
Mobile Homes Act 2013									
Band A 2-5 units	New Application Fee	194.00		215.00	21.00	11%	<i>exempt</i>	Discretionary	
Band B 6-24 units	New Application Fee	260.00		290.00	30.00	12%	<i>exempt</i>	Discretionary	
Band C 25-99 units	New Application Fee	299.00		330.00	31.00	10%	<i>exempt</i>	Discretionary	
Band D 100+ units	New Application Fee	351.00		390.00	39.00	11%	<i>exempt</i>	Discretionary	
Band E single unit at family site	New Application Fee	111.00		125.00	14.00	13%	<i>exempt</i>	Discretionary	
Band A 2-5 units	Transfer of site license	77.00		85.00	8.00	10%	<i>exempt</i>	Discretionary	
Band B 6-24 units	Transfer of site license	77.00		85.00	8.00	10%	<i>exempt</i>	Discretionary	
Band C 25-99 units	Transfer of site license	77.00		85.00	8.00	10%	<i>exempt</i>	Discretionary	
Band D 100+ units	Transfer of site license	77.00		85.00	8.00	10%	<i>exempt</i>	Discretionary	
Band E single unit at family site	Transfer of site license	28.00		35.00	7.00	25%	<i>exempt</i>	Discretionary	
Band A 2-5 units	Variation of site license	115.00		130.00	15.00	13%	<i>exempt</i>	Discretionary	
Band B 6-24 units	Variation of site license	115.00		130.00	15.00	13%	<i>exempt</i>	Discretionary	
Band C 25-99 units	Variation of site license	115.00		130.00	15.00	13%	<i>exempt</i>	Discretionary	
Band D 100+ units	Variation of site license	115.00		130.00	15.00	13%	<i>exempt</i>	Discretionary	
Band E single unit at family site	Variation of site license	56.00		65.00	9.00	16%	<i>exempt</i>	Discretionary	
Band A	Annual Fee	130.00		145.00	15.00	12%	<i>exempt</i>	Discretionary	
Band B	Annual Fee	154.00		170.00	16.00	10%	<i>exempt</i>	Discretionary	
Band C	Annual Fee	191.00		215.00	24.00	13%	<i>exempt</i>	Discretionary	
Band D	Annual Fee	234.00		260.00	26.00	11%	<i>exempt</i>	Discretionary	
Band E	Annual Fee	65.49		75.00	9.51	15%	<i>exempt</i>	Discretionary	
Deposit of park rules with LA (not applicable to single unit)		65.00		75.00	10.00	15%	<i>exempt</i>	Discretionary	
PLANNING SERVICES -Statutory Planning Fees increased by 25% in December 2023. They are set by Government and can be found at https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf. Further information on the Councils discretionary fees can be found on the Councils website									

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25		2023/24 charge (inc VAT) £	2024/25				VAT	Statutory/ Discretionary
			Proposed charge £		Increase			
			Min	Max	£	%		
CAR PARKING (OFF STREET)								
CEMETERIES								
Internment	1.83m (equivalent to 6 feet)	925.00	1,020.00	95.00	10%	<i>exempt</i>	Discretionary	
Internment	2.29m (equivalent to 7 feet 6 inches)	1,220.00	1,345.00	125.00	10%	<i>exempt</i>	Discretionary	
Internment	2.74m (equivalent to 9 feet)	1,622.00	1,785.00	163.00	10%	<i>exempt</i>	Discretionary	
Internment	cremated remains	280.00	310.00	30.00	11%	<i>exempt</i>	Discretionary	
Internment	stillborn child (under 1 month)	0.00	0.00				Discretionary	
Internment	child (under 12 years)	0.00	0.00				Discretionary	
Internment	in existing vault	actual cost	actual cost			<i>exempt</i>	Discretionary	
Interred ashes in Garden of Rest		276.00	305.00	29.00	11%	<i>exempt</i>	Discretionary	
Purchase of Burial Rights	ordinary 50 years	1,169.00	1,290.00	121.00	10%	<i>exempt</i>	Discretionary	
Purchase of Burial Rights	special 50 years	1,199.00	1,320.00	121.00	10%	<i>exempt</i>	Discretionary	
Designated child space	50 years	0.00	0.00			<i>exempt</i>	Discretionary	
Garden of Rest		310.00	345.00	35.00	11%	<i>exempt</i>	Discretionary	
Right to erect/place on grave or vault	Headstone	223.00	250.00	27.00	12%	<i>exempt</i>	Discretionary	
Right to erect/place on grave or vault	Kerbstone or Border	276.00	305.00	29.00	11%	<i>exempt</i>	Discretionary	
Right to erect/place on grave or vault	Flatstone or Wall Tablet	222.00	245.00	23.00	10%	<i>exempt</i>	Discretionary	
Right to erect/place on grave or vault	Additional Inscription	106.00	120.00	14.00	13%	<i>exempt</i>	Discretionary	
Chapel		98.00	110.00	12.00	12%	<i>Included</i>	Discretionary	
Searches		32.00	40.00	8.00	25%	<i>Included</i>	Discretionary	
Transfer of Grant Ownership		75.00	85.00	10.00	13%	<i>exempt</i>	Discretionary	
Exhumation		actual cost	actual cost			<i>exempt</i>	Discretionary	
PARKS AND OPEN SPACES								
Malling (per game or session)						standard Discretionary		
Football and Rugby	adult rate	50.00	55.00	5.00	10%	<i>standard</i>	Discretionary	
Football and Rugby	adult training rate	25.00	27.50	2.50	10%	<i>standard</i>	Discretionary	
Football and Rugby	juniors rate	25.00	27.50	2.50	10%	<i>standard</i>	Discretionary	
Football and Rugby	juniors training rate	12.00	13.50	1.50	13%	<i>standard</i>	Discretionary	
Hire of Sports Pitches OTHER (per game or session)								
Football and Rugby	adult rate	70.00	77.00	7.00	10%	<i>standard</i>	Discretionary	
Football and Rugby	adult training rate	34.00	37.50	3.50	10%	<i>standard</i>	Discretionary	
Football and Rugby	juniors rate	34.00	37.50	3.50	10%	<i>standard</i>	Discretionary	
Football and Rugby	juniors training rate	18.00	20.00	2.00	11%	<i>standard</i>	Discretionary	
Football and Rugby	Telscombe minis	12.00	13.50	1.50	13%	<i>standard</i>	Discretionary	
Football and Rugby	Changing rooms only	38.00	42.00	4.00	11%	<i>standard</i>	Discretionary	
Cricket	grass day rate	75.00	82.50	7.50	10%	<i>standard</i>	Discretionary	
Cricket	grass evening rate	32.00	35.50	3.50	11%	<i>standard</i>	Discretionary	
Cricket	grass juniors rate	38.00	42.00	4.00	11%	<i>standard</i>	Discretionary	
Cricket	artificial day rate	56.00	62.00	6.00	11%	<i>standard</i>	Discretionary	
Cricket	artificial evening rate	25.00	27.50	2.50	10%	<i>standard</i>	Discretionary	
Cricket	artificial juniors rate	28.00	31.00	3.00	11%	<i>standard</i>	Discretionary	
Cricket	changing rooms only	41.00	45.50	4.50	11%	<i>standard</i>	Discretionary	
Stoolball	day rate	50.00	55.00	5.00	10%	<i>standard</i>	Discretionary	
Stoolball	evening rate	27.00	30.00	3.00	11%	<i>standard</i>	Discretionary	

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25		2023/24 charge (inc VAT) £	2024/25				VAT	Statutory/ Discretionary	
			Proposed charge £		Increase				
			Min	Max	£	%			
CAR PARKING (OFF STREET)									
Bowling	- adult season ticket	122.00		134.50	12.50	10%	standard	Discretionary	
Bowling	- junior season ticket	62.00		68.50	6.50	10%	standard	Discretionary	
Bowling	- concessions season ticket	82.00		90.50	8.50	10%	standard	Discretionary	
Bowling	- adult per hour	3.50		4.00	0.50	14%	standard	Discretionary	
Bowling	- juniors and concessions per hour	2.50		3.00	0.50	20%	standard	Discretionary	
Bowling	visiting teams per rink	16.00		18.00	2.00	13%	standard	Discretionary	
Croquet	croquet field	20.00		22.00	2.00	10%	standard	Discretionary	
HIRE OF OPEN SPACES									
Commercial Organisations	small event - per day	710.00		781.00	71.00	10%	exempt	Discretionary	
	small event - half day (maximum 4 hours)	355.00		390.50	35.50	10%	exempt	Discretionary	
	medium event - per day	1,328.00		1,461.00	133.00	10%	exempt	Discretionary	
	medium event - half day (maximum 4 hours)	665.00		731.50	66.50	10%	exempt	Discretionary	
	large event - per day	negotiable		negotiable			exempt	Discretionary	
	Fitness / Exercise classes per hour (4+ persons)	57.00		63.00	6.00	11%	exempt	Discretionary	
Not For Profit Organisations (per day)	Within District - up to 100% discount	free		free				Discretionary	
	Outside District - discounts from 0% - 50% on commercial fees shown above							Discretionary	
	Abseil events - Charity fundraising	free		free					
Taxis and Licencing									
	Licensing Act 2003			TBC				Statutory	
	Hackney Carriage Vehicle Licencing			TBC				Discretionary	
	Private Hire Vehicle Licencing			TBC				Discretionary	
	Private Hire Operator Licencing		5 year License	TBC				Discretionary	
	Taxis - Driver Licencing			TBC				Discretionary	
STREET NAMING AND NUMBERING									
	New individual property		per application	50.00	55.00	5.00	10%	exempt	Discretionary
	New Development or Re-development		per plot/unit	50.00	55.00	5.00	10%	exempt	Discretionary
	New Development or Re-development (3-10 New Addres		per application	150.00	165.00	15.00	10%	exempt	Discretionary
	New Development or Re-development (11-19 New Addre		per application	250.00	275.00	25.00	10%	exempt	Discretionary
	New Development or Re-development (20+ New Addres:		per application	350.00	385.00	35.00	10%	exempt	Discretionary
	Change of House Name or Commercial Property Name		per application	50.00	55.00	5.00	10%	exempt	Discretionary
	Change of Building Name (eg block of flats)		per application	100.00	110.00	10.00	10%	exempt	Discretionary
	Street Renaming		per application	200.00	220.00	20.00	10%	exempt	Discretionary
	Street Renaming		plus per property	25.00	27.50	2.50	10%	exempt	Discretionary
	Alterations to SNN Scheme after SNN confirmation		per application	350.00	385.00	35.00	10%	exempt	Discretionary
	Alterations to SNN Scheme after SNN confirmation		per plot/unit	25.00	27.50	2.50	10%	exempt	Discretionary
	Confirmation of postal address to solicitors or conveyancers			25.00	27.50	2.50	10%	exempt	Discretionary
ALLOTMENTS									
	Charge per allotment per annum		per year per plot (253 square metres)	73.00	80.50	7.50	10%	exempt	Discretionary

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25		2023/24 charge (inc VAT) £	2024/25				VAT	Statutory/ Discretionary
			Proposed charge £		Increase			
			Min	Max	£	%		
CAR PARKING (OFF STREET)								
WASTE COLLECTION								
Domestic								
Bulky waste	5 items or 10 bags	55.00	60.50	5.50	10%	<i>exempt</i>	Discretionary	
Bulky waste	10 items or 20 bags	85.00	93.50	8.50	10%	<i>exempt</i>	Discretionary	
Fridges and freezers		40.00	44.00	4.00	10%	<i>exempt</i>	Discretionary	
All other domestic charges by application			0.00				Discretionary	
Dog bin emptying								
on street collections (per bin)								
single compartment dog waste		6.00	6.60	0.60	10%	<i>standard</i>	Discretionary	
single compartment litter and dog waste		1.74	2.00	0.26	15%	<i>standard</i>	Discretionary	
separate compartments litter and dog waste		3.48	3.90	0.42	12%	<i>standard</i>	Discretionary	
single compartment litter		1.75	2.00	0.25	14%	<i>standard</i>	Discretionary	
on street purchase (per bin)								
single compartment dog waste		278.98	306.90	27.92	10%	<i>standard</i>	Discretionary	
single compartment litter		468.00	514.80	46.80	10%	<i>standard</i>	Discretionary	
single compartment litter and dog waste		468.00	514.80	46.80	10%	<i>standard</i>	Discretionary	
on street installation (per bin)								
single compartment dog waste		45.00	49.50	4.50	10%	<i>standard</i>	Discretionary	
single compartment litter		45.00	49.50	4.50	10%	<i>standard</i>	Discretionary	
single compartment litter and dog waste		45.00	49.50	4.50	10%	<i>standard</i>	Discretionary	
Black sacks cat / dog litter 18 bags								
		57.60	63.40	5.80	10%	<i>standard</i>	Discretionary	
Box of refuse bags (360)		32.50	35.80	3.30	10%	<i>standard</i>	Discretionary	
Box of refuse bags (1000)		58.50	64.40	5.90	10%	<i>standard</i>	Discretionary	
Sharps 1-4 buckets each		12.95	14.30	1.35	10%	<i>standard</i>	Discretionary	
Sharps 5 (large)		38.75	42.70	3.95	10%	<i>standard</i>	Discretionary	
Dead animal removal	minimum charge depending on size of animal	0.00				<i>standard</i>	Discretionary	
140 wheelie bin DEVELOPER								
		35.00	38.50	3.50	10%	<i>standard</i>	Discretionary	
140 wheelie bin RESIDENT								
		20.00	22.00	2.00	10%	<i>standard</i>	Discretionary	
240 wheelie bin DEVELOPER								
		47.50	52.30	4.80	10%	<i>standard</i>	Discretionary	
240 wheelie bin RESIDENT								
		30.00	33.00	3.00	10%	<i>standard</i>	Discretionary	
770 euro bin		275.00	302.50	27.50	10%	<i>standard</i>	Discretionary	
1100 euro bin		300.00	330.00	30.00	10%	<i>standard</i>	Discretionary	
Special events (per bin)		9.00	9.90	0.90	10%	<i>standard</i>	Discretionary	
Green waste								
Includes Recycling Credits								
	Annual Green Waste Collection Service	70.00	80.00	10.00	14%	<i>exempt</i>	Discretionary	
	Second/Additional half price green waste collection service	35.00	40.00	5.00	14%	<i>exempt</i>	Discretionary	
LEWES HOUSE								
Venue Hire (minimum 2 hours Monday to Friday from 9am to 6pm)								
Garden Room and Garden - up to 100 people	per hour	75.00	83.00	8.00	11%	<i>exempt</i>	Discretionary	
Garden Room only - up to 30 people (November to March)	per hour	40.00	44.00	4.00	10%	<i>exempt</i>	Discretionary	
Warren Room - up to 50 people	per hour	55.00	61.00	6.00	11%	<i>exempt</i>	Discretionary	
Business Room - up to 40 people	per hour	40.00	44.00	4.00	10%	<i>exempt</i>	Discretionary	
Plus surcharge from 6pm to 11pm	per hour	15.00	17.00	2.00	13%	<i>exempt</i>	Discretionary	
Weekend surcharge	one-off fee	30.00	33.00	3.00	10%	<i>exempt</i>	Discretionary	
Exhibition Rate (minimum 2 days Monday to Sunday 9am to 6pm)								

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25			2023/24	2024/25				VAT	Statutory/ Discretionary
			charge (inc VAT) £	Proposed charge £		Increase			
				Min	Max	£	%		
CAR PARKING (OFF STREET)									
Warren Room	per day	100.00	110.00	10.00	10%	exempt	Discretionary		
Business Room	per day	100.00	110.00	10.00	10%	exempt	Discretionary		
Warren Room and Business Room	per day	150.00	165.00	15.00	10%	exempt	Discretionary		
Complete Suite excluding garden	per day	200.00	220.00	20.00	10%	exempt	Discretionary		
Plus surcharge from 6pm to 11pm	per hour	15.00	17.00	2.00	13%	exempt	Discretionary		
Weekend surcharge	per day	30.00	33.00	3.00	10%	exempt	Discretionary		
<i>Charges for other arrangements by application and negotiation</i>									
ARTS DEVELOPMENT									
Artwave Artist Advert	Single	85.00	94.00	9.00	11%	standard	Discretionary		
Artwave Artist Advert	Double	170.00	187.00	17.00	10%	standard	Discretionary		
Artwave Artist Advert	Full Page	400.00	440.00	40.00	10%	standard	Discretionary		
Artwave Business Advert	Single	105.00	116.00	11.00	10%	standard	Discretionary		
Artwave Business Advert	Double	210.00	231.00	21.00	10%	standard	Discretionary		
Artwave Business Advert	Full Page	500.00	550.00	50.00	10%	standard	Discretionary		
Artwave Charity/School Advert	Single	65.00	72.00	7.00	11%	standard	Discretionary		
Artwave Charity/School Advert	Double	130.00	143.00	13.00	10%	standard	Discretionary		
Artwave Charity/School Advert	Full Page	300.00	330.00	30.00	10%	standard	Discretionary		
TOURISM									
Visit Lewes	Silver Member	99.00	109.00	10.00	10%	standard	Discretionary		
Visit Lewes	Gold Member	149.00	164.00	15.00	10%	standard	Discretionary		
Gin & Fizz	Exhibitor Fee	60.00	66.00	6.00	10%	standard	Discretionary		
Gin & Fizz	Hot Food Traders Fee	175.00	193.00	18.00	10%	standard	Discretionary		
Gin & Fizz	Other Food Traders Fee	140.00	154.00	14.00	10%	standard	Discretionary		
Gin & Fizz	1 Session only	85.00	94.00	9.00	11%	standard	Discretionary		
Gin & Fizz	Bar Traders Fee	175.00	193.00	18.00	10%	standard	Discretionary		
Gin & Fizz	Bar 1 Session only	90.00	99.00	9.00	10%	standard	Discretionary		
Gin & Fizz	Programme Advert	100.00	110.00	10.00	10%	standard	Discretionary		
Council Tax and Business Rates									
Recovery action	Summons cost	52.50	58.00	5.50	10%	exempt	Discretionary		
	Liability order	30.00	33.00	3.00	10%	exempt	Discretionary		
Legal Services									
Section 106 agreement	time spent x hourly rate	£540 min	540.00	no limit	10%	zero-rated	Discretionary		
Lease	time spent x hourly rate	£825-£2,750	907.50	3,025.00	10%	standard	Discretionary		
Consent, Deed of Variation, Easement, Sale of Freehold	time spent x hourly rate	£550-£2,000	605.00	2,200.00	10%	standard	Discretionary		
Licence	time spent x hourly rate	£900-£2,000	990.00	2,200.00	10%	standard	Discretionary		
Right to Buy	engrossment fee	60.00	66.00	6.00	10%	standard	Discretionary		
Copying large/complicated agreements and plans	including retrieval fee	75.00	82.50	7.50	10%	standard	Discretionary		
Other copying (in addition to retrieval fee)	per side copied	0.50	0.60	0.10	20%	standard	Discretionary		
Other copying (where retrieval not required)	minimum charge	7.50	8.30	0.80	11%	standard	Discretionary		
	plus per side copied	0.50	0.60	0.10	20%	standard	Discretionary		
<i>Other charges by application and more complex transactions by negotiation</i>									
Estate Surveyor Services									
Commercial services									
Lease - grant	Per transaction	500.00	550.00	50.00	10%	standard	Discretionary		

APPENDIX 6 Lewes District Council Fees and Charges Proposals 2024/25		2023/24 charge (inc VAT) £	2024/25				VAT	Statutory/ Discretionary
			Proposed charge £		Increase			
			Min	Max	£	%		
CAR PARKING (OFF STREET)								
Lease - Deed of Variation, Surrender	Per transaction	400.00	440.00	40.00	10%	standard	Discretionary	
Lease - ancillary transactions (e.g. licences to assign)	Per transaction	250.00	275.00	25.00	10%	standard	Discretionary	
Licence (e.g. scaffolding and other temporary structures)	Per transaction	250.00	275.00	25.00	10%	standard	Discretionary	
Garden Licence	Per transaction dependant on time spent (max)	250.00	275.00	25.00	10%	standard	Discretionary	
Disposal/Wayleave/Easement	Per transaction	500.00	550.00	50.00	10%	standard	Discretionary	
Land Charges								
Official Search of the Local Land Charges Register (LLC1	search of the whole register	16.00	17.60	1.60	10%	exempt	Discretionary	
CON29 Part 1 – required enquiries		87.00	95.70	8.70	10%	standard	Discretionary	
<i>The full list of fees and charges is available from the Council web site at www.lewes.gov.uk</i>								
Register of Electors		Statutory fees						
Paper copy (plus P&P)	Set up fee	10.00	10.00	0.00	0%	standard	Statutory	
Paper copy (plus P&P)	plus per 1,000 names	5.00	5.00	0.00	0%	standard	Statutory	
Electronic copy	Set up fee	20.00	20.00	0.00	0%	standard	Statutory	
Electronic copy	plus per 1,000 names	1.50	1.50	0.00	0%	standard	Statutory	
Marked Register and Marked Absent Voting lists								
Paper copy (plus P&P)	set up fee	10.00	10.00	0.00	0%	standard	Statutory	
Paper copy (plus P&P)	plus per 1,000 names	2.00	5.00	3.00	150%	standard	Statutory	
Electronic copy	set up fee	10.00	10.00	0.00	0%	standard	Statutory	
Electronic copy	plus per 1,000 names	1.00	1.50	0.50	50%	standard	Statutory	

Agenda Item 9

Report to:	Cabinet
Date:	1 February 2024
Title:	Treasury Management Strategy, Investment Strategy, Capital Strategy and Prudential Indicators 2024/25
Report of:	Homira Javadi, Director of Finance and Performance (Chief Finance Officer – S151 Officer)
Cabinet member:	Councillor Zoe Nicholson, Leader of the Council and Cabinet Member for Finance, Assets and Community Wealth Building
Ward(s):	All
Purpose of the report:	To approve the Council’s Annual Treasury Management Strategy, Capital Strategy & Investment Strategy together with the Treasury and Prudential Indicators.
Decision type:	Budget and policy framework
Recommendation:	Cabinet is asked to recommend the following proposals to full Council to : <ul style="list-style-type: none">a. Approve the Treasury Management Strategy and Annual Investment Strategy for 2024/25 as set out in Appendix A;b. Approve the Minimum Revenue Provision Policy Statement 2024/25 (Appendix A);c. Approve the Prudential and Treasury Indicators 2024/25 to 2026/27 (Appendix A);d. Approve the Capital Strategy 2024/25 (Appendix B).
Reasons for recommendations:	It is a requirement within the budget setting process for the Council to review and approve the Prudential and Treasury indicators, Treasury Strategy, Investment Strategy and Capital Strategy.
Contact Officer:	Ross Sutton, Head of Financial Reporting Telephone: 07591 988346 E-mail address: ross.sutton@lewes-eastbourne.gov.uk

1. Introduction

- 1.1. The Prudential and Treasury Indicators and Treasury Strategy covers:
 - the capital prudential indicators;
 - the Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;
 - an investment strategy (the parameters on how investments management);
 - Capital Strategy.
- 1.2. The Council has adopted CIPFA's Treasury Management code of Practice and this code is supported by treasury management practices (TMPs) that set out the manner in which the council seeks to achieve the treasury management strategy and prescribes how it manages and controls those activities.
- 1.3. CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.4. The Council will continue to regularly review the position on its long-term borrowing requirement, its affordability and the capital financing costs impact on the Council future financial planning. Borrowing will only be undertaken for temporary liquidity or to fund the capital programme and will be undertaken as necessary in accordance with the 2024/25 borrowing strategy. The Council will continue to assess all financing options when making long term borrowing decisions to achieve best financial value for the Council.
- 1.5. CIPFA has published the updated Treasury Management and Prudential Codes, and has stated that after a soft introduction of the Codes, Local Authorities are expected to fully implement the required reporting changes within the Treasury Management Strategy reports from 2024/25.
- 1.6. The Department for Levelling Up, Housing and Communities (DLUHC) is proposing to tighten up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and has already closed access to all PWLB borrowing if such schemes are included in an authority's capital programme. The new CIPFA codes have adopted a similar outlook to discourage further capital expenditure on commercial investments for yield. DLUHC is also conducting a consultation on amending MRP regulations/guidance for England. The latest information is that any changes will take effect from 2025/26 at the earliest.

1.7. Prudential Code changes from 1 April 2023 – There are a number of changes to be implemented for CIPFA Code revisions for the 2023/24 financial year as follows:

- a. Adopting a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- b. Long-term treasury investments, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
- c. Pooled funds are to be included in the indicator for principal sums maturing in years beyond the initial budget year;
- d. Amendment to the knowledge and skills register for officers and members involved in the treasury management function;
- e. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly.
- f. Environmental, social and governance (ESG) issues to be addressed within an authority's treasury management policies and practices.

1.8. This report includes the Capital Strategy (Appendix B), which provides a longer-term focus on the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The aim of the capital strategy is to ensure that all elected members on the Full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy covers the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

Potential impact on climate change and the environment

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

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

Policy on the use of external providers

- 1.11. The Council uses Link Market Services as its external treasury management advisor, and recognises that responsibility for treasury management decisions remains with the Council at all times. It also recognises that there is value in employing external providers of treasury management services in order to have access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2. End of year investment report

- 2.1. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

3. Outcome expected and performance management

- 3.1. Loans, Investments and Prudential Indicators will be monitored regularly during 2024/25 and performance will be reported to members quarterly.

4. Financial appraisal

- 4.1. These are included in the main body of the report.

5. Legal implications

- 5.1. This report covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

6. Equality analysis

- 6.1. No impact.

7. Minimum Revenue Provision (MRP)

- 7.1. The Council has adopted an annuity method, under this methodology, MRP will be lower in the early years and increase over time. This is considered a prudent approach as it reflects the time value of money (i.e. the impact of inflation) as well as providing a charge that is better matched to how the benefits of the asset financed by borrowing are consumed over its useful life. That is, a method that reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years. The MRP Policy Statement (TMSS Section 2.5) reflects this policy.

8. Conclusion

- 8.1. Capital prudential indicators are set to demonstrate plans for borrowing are affordable. The movement in the Capital Financing Requirement (CFR) forecasts for 2024/25, 2025/26 and 2026/27 are set as £28.3m, £36.3m, and £26.2m respectively. This borrowing has been reflected in the Capital Financing Requirement, which sets out the Council's outlining requirement for borrowing, and includes both the use of internal resources and external borrowing.
- 8.2. The Minimum Revenue Provision Policy has been updated to ensure that prudent provision is made for the repayment of borrowing.
- 8.3. All Treasury indicators have been set to reflect the treasury strategy and funding requirements of the capital programme.

Appendices

- A** Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy
- B** Capital Strategy

Background papers

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

- CIPFA Prudential Code and Guidance Notes
- CIPFA Treasury Management Code and Guidance Notes
- Treasury Management Strategy Statement 2023/24
- Treasury Management Practices
- Council Budget 1 February 2024
- Treasury Monitoring Reports 2023/24
- CIPFA Prudential Property Investment

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

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Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Lewes District Council
2024/25

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1.1 Background

The Council is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report)
 - The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, the Council will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit and Governance Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee.

1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling

- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, the Code states that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, the Council should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and council members.
- Require treasury management officers and council members to undertake self-assessment against the required competencies.
- Have regular communication with officers and council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’.

Treasury Management training was provided to members of the Audit and Governance Committee on 27 November 2023 by its external treasury management advisors. The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Director of Finance and Performance. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Director of Finance and Performance.

1.5 Banking Services

Lloyds Bank currently provides banking services for the Council.

1.6 IFRS 16 Leasing

The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1.4.24, the 2024/25 financial year. The new standard requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments.

1.7 IFRS 9 Financial Instruments

The DLUHC enacted a statutory over-ride from 1/4/18 for a five-year period until 31/3/23 following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31/3/23: this was intended to allow authorities to initiate an orderly withdrawal of funds if required. In addition, IFRS9 impacts the write-down in the valuation of impaired loans. The override has now been extended for a further two years to 31/3/25.

1.8 Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Where the Council undertake non-treasury investments, e.g., investment in commercial properties, it will use specialist property advisers.

2. THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2026/27

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Cap Exp £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
GF	9,849	32,745	45,945	20,397	6,557
HRA	8,666	19,109	17,023	35,962	36,071
Total	18,515	51,854	62,968	56,359	42,628

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital receipts	-	-	8,870	-	-
Capital grants	6,796	14,759	16,432	4,924	1,900
Capital Reserves	914	-	-	-	-
Revenue	182	-	-	-	-
Net financing need for the year	1,957	17,986	20,643	15,473	4,657

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council does not currently have such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital Financing Requirement					
GF	21,408	38,927	67,193	81,275	83,904
HRA	78,028	78,028	78,028	100,215	123,747
Total CFR	99,436	116,955	145,221	181,490	207,651
Movement in CFR		17,519	28,266	36,269	26,161

Movement in CFR represented by					
Net financing need for the year (above)	4,009	17,986	29,513	37,660	28,189
Less MRP/VRP	(367)	(467)	(1,247)	(1,391)	(2,028)
Loans Repaid	(133)	-	-	-	-
Movement in CFR	3,509	17,519	28,266	36,269	26,161

External borrowing £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA	2,120	-	-	21,087	23,532
General Fund					
Housing	10	270	135	135	135
Loans to Housing Companies	-	-	500	500	419
Regeneration	830	4,165	12,256	5,100	-
Asset Management	16	775	2,210	620	140
Indoor Leisure Facilities	-	2,527	1,909	300	300
Energy Schemes	38	500	250	4,250	2,200
Community Infrastructure Levy	-	-	-	-	-
Service Delivery	831	6,225	2,947	3,422	427
Specialist	94	705	236	236	236
Parks & Pavilions	138	1,053	200	200	200
Open Space / Biodiversity	-	762	-	-	-
Information Technology	-	397	-	150	150
Digital Transformation	-	607	-	410	450
Corporate	-	-	-	150	-
Total General Fund	1,957	17,986	20,643	15,473	4,657
Total CFR	4,077	17,986	20,643	36,560	28,189

External borrowing £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Treasury Management	-	-	-	-	-

Treasury Management would be the externalisation of internal borrowing and re-financing.

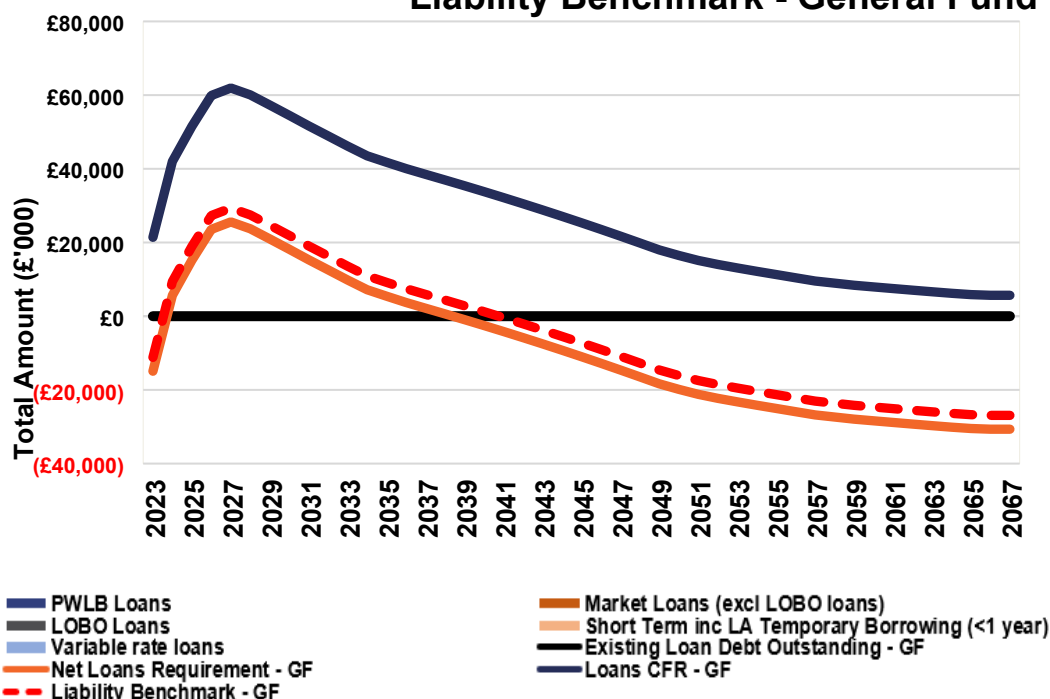
2.3 Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

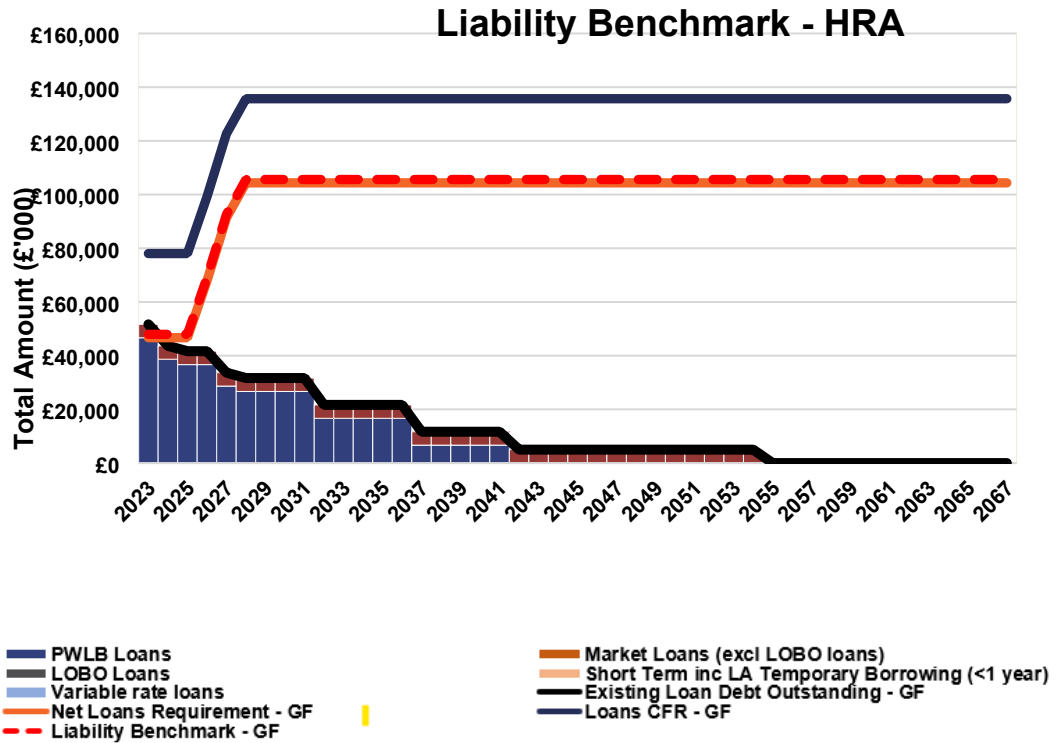
There are four components to the LB: -

1. **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

Liability Benchmark - General Fund



The graph provides a comparison of the existing loan portfolio against committed borrowing needs. This is to evidence an understanding of the existing debt maturity profile and how MRP and other cash flows affect the future debt requirement. If actual loans are less than the benchmark there is a future borrowing requirement.



2.4 Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Fund balances / reserves	36,816	47,367	40,520	32,897	32,321
Capital receipts	11,063	2,224	2,224	2,224	2,224
Provisions	594	594	594	594	594
Other	-	-	-	-	-
Total core funds	48,473	50,185	43,338	35,715	35,139
Working capital*					
Under/over borrowing**					
Expected investments					

*Working capital balances are estimated at year-end and may be higher mid-year.

2.5 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

The Council is recommended to approve the following MRP Statement.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

Asset life method (annuity) – MRP will be based on a maximum of 50 years.

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

Asset life method (annuity) – MRP will be based on the estimated life of the assets.

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. There are no cumulative VRP overpayments made to date.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31/3/23 and for the position as at 31/12/23 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual 31/3/23 £000	Actual 31/3/23 %	Current 31/12/23 £000	Current 31/12/23 %
Treasury investments				
Banks (see detail below)	18,907	95%	12,320	59.2%
Building societies - unrated	-	-	-	-
Building societies - rated	-	-	-	-
Local authorities	-	-	-	-
DMADF (H.M.Treasury)	1,000	5%	8,500	40.8%
Money Market Funds	-	-	-	-
Certificates of Deposit	-	-	-	-
Total managed in house	19,907	100%	20,820	100%
Bond Funds	-	-	-	-
Property Funds	-	-	-	-
Total managed externally	-	-	-	-
Total treasury investments	19,907	100%	20,820	100%
Treasury external borrowing				
Local Authorities	-	-	-	-
PWLB	46,673	90.3%	42,673	89.5%
Market Loans	5,000	9.7%	5,000	10.5%
LOBOs	-	-	-	-
Total external borrowing	51,673	100%	47,673	100%
Net treasury investments / (borrowing)	(31,766)		(26,853)	

TREASURY INVESTMENTS				
	Actual 31/3/23 £000	Actual 31/3/23 %	Current 31/12/23 £000	Current 31/12/23 %
Banks				
Lloyds	3,907	20.7%	4,320	35.1%
Santander	5,000	26.4%	3,000	24.4%
Standard Chartered – Sustainable	5,000	26.4%	5,000	40.6%
Bayerische Landesbank	5,000	26.4%	-	-
Total	18,907	100%	12,320	100%

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
External Debt					
Debt at 1 April	75,909	75,909	75,909	75,909	106,996
Expected change in Debt	-	-	-	31,087	33,532
Other long-term liabilities (OLTL)	-	-	-	-	-
Expected change in OLTL	-	-	-	-	-
Actual gross debt at 31 March	75,909	75,909	75,909	106,996	140,528
Capital Financing Requirement	99,436	116,955	145,221	181,490	207,651
Under / (over) borrowing	23,527	41,046	69,312	74,494	67,123

Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance and Performance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt	126,600	134,500	167,000	208,710
Other long-term liabilities	-	5,000	5,100	5,200
Total	126,600	139,500	172,100	213,910

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Council is asked to approve the following Authorised Limit:

Authorised Limit £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt	139,300	140,350	174,270	217,790
Other long-term liabilities	-	5,500	5,610	5,720
Total	139,300	145,850	179,880	223,510

3.3 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

The MPC are keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. Rate cuts are expected to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness). Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged. In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

PWLB RATES

The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. Currently there is a c70 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is even (not downside or upside).

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

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

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

- Despite the tightening in Bank Rate to 5.25%, the Bank of England allows inflationary pressures to remain elevated for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

It is expected the MPC will keep Bank Rate at 5.25% until the second half of 2024 to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. It is not thought that the MPC will increase Bank Rate above 5.25%.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Target borrowing rates are set two years forward (expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice: The long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Base Rate reductions for 2024 and later.

The proposed budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

The interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, Link continue to monitor events and will update their forecasts as and when appropriate.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Finance and Performance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. If rescheduling is to be undertaken, it will be reported to the Council, at the earliest meeting following its action.

3.7 New Financial Institutions as a Source of Borrowing / Types of Borrowing

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

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Examples include the UK Municipal Bonds Agency and UK Infrastructure Bank.

Link will inform as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. The Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.3 under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Council has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of £2m.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. The Council will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. The Council has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.

However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

1. "watches" and "outlooks" from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on an on-going basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The counterparties in which the Council will invest its cash surpluses is based on officer's assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market. The table below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. Further details are contained in the Appendix 5.3.

Criteria for Specified Investments:

	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits (TD)	unlimited	1 yr
Government Treasury bills	UK	TD	unlimited	1 yr
UK Local Authorities	UK	TD	£10m	1 yr
Lloyds Banking Group <ul style="list-style-type: none"> Lloyds Bank Bank of Scotland 	UK	TD (including callable deposits), Certificate of Deposits (CD's)	£10m	1 yr
RBS/NatWest Group <ul style="list-style-type: none"> Royal Bank of Scotland NatWest 	UK		£5m	1 yr
HSBC	UK		£5m	1 yr
Barclays	UK		£5m	1 yr
Santander	UK		£5m	6 mths
Goldman Sachs Investment Bank	UK		£5m	6 mths
Standard Chartered Bank	UK		£5m	6 mths
Nationwide Building Society	UK		£5m	6 mths
Coventry Building Society	UK		£5m	6 mths
Money Market Funds (MMF)	UK/Ireland/ EU domiciled		AAA rated Money Market Funds	£10m per fund
Counterparties in select countries (non-UK) with a Sovereign Rating of at least AA+				
Australia & New Zealand Banking Group	Australia	TD / CD's	£5m	1 yr
Commonwealth Bank of Australia	Australia	TD / CD's	£5m	1 yr

	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
National Australia Bank	Australia	TD / CD's	£5m	1 yr
Westpac Banking Corporation	Australia	TD / CD's	£5m	1 yr
Royal Bank of Canada	Canada	TD / CD's	£5m	1 yr
Toronto-Dominion Bank	Canada	TD / CD's	£5m	1 yr
Development Bank of Singapore	Singapore	TD / CD's	£5m	1 yr
Overseas Chinese Banking Corp	Singapore	TD / CD's	£5m	1 yr
United Overseas Bank	Singapore	TD / CD's	£5m	1 yr
Svenska Handelsbanken	Sweden	TD / CD's	£5m	1 yr
Nordea Bank AB	Sweden	TD / CD's	£5m	1 yr
ABN Amro Bank	Netherlands	TD / CD's	£5m	1 yr
Cooperative Rabobank	Netherlands	TD / CD's	£5m	1 yr
ING Bank NV	Netherlands	TD / CD's	£5m	1 yr
DZ Bank AG	Germany	TD / CD's	£5m	1 yr
UBS AG	Switzerland	TD / CD's	£5m	1 yr
Credit Suisse AG	Switzerland	TD / CD's	£5m	1 yr
Danske Bank	Denmark	TD / CD's	£5m	1 yr

Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Council will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in the table below:

	Minimum credit criteria	Maximum investments	Period
UK Local Authorities	Government Backed	£2m	2 years
Green Energy Bonds	Internal and External Due Diligence	£2m	2-5 years

The maximum amount that can be invested will be monitored in relation to the Council surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer. A detailed list of specified and non-specified investments that form the counterparty list is shown in Appendix 5.3.

UK Local Authorities - Should a suitable opportunity in the market occur to lend to other Local Authorities of more than a 1-year duration, at a reasonable level of return the deal would be classed as a low risk Non-Specified Investment.

4.3 Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments.
- b. **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.4. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- no more than £5m will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

4.4 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to have peaked at 5.25%.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.55%
2025/26	3.10%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Changes of investment strategy

There are several alternative types of investment opportunity. This could involve the use of some of the following instruments as a different approach to how and where monies are invested in more traditional money markets.

- Ultra-Short Dated Bond Funds;
- Corporate Bonds - direct, passive and active external management (including Short Dated Bond Funds);
- Multi Asset Funds;
- Property Funds;
- Equity Funds.

Currently, these are not part of the Council’s investment strategy and involve taking on a different level of risk to that which members have approved in the past. If any of the instruments were to be considered, a separate report would be provided to include an explanation that enables members to understand the rationale and the change in risk exposure involved.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit: -

Upper limit for principal sums invested for longer than 365 days			
£m	2024/25	2025/26	2026/27
Principal sums invested for longer than 365 days	£2m	£2m	£2m

4.5 Environmental, Social & Governance (ESG) Considerations

ESG issues are increasingly significant for investors and investment managers. However, this is better developed in equity and bond markets than for short-term cash deposits, and there is a diversity of market approaches to ESG classification and analysis. This means that a consistent and developed approach to ESG for public service organisations is currently difficult. The Council would need to develop its own ESG investment policy consistent with its own relevant policies, such as environmental and climate change policies. There is exposure to ESG risk and how well these risks would be managed would need to be evaluated. Many fund managers are unable to report accurately on the degree to which their funds/products are ESG compliant. The Council is currently making use of green/sustainable cash deposits where available.

4.6 Investment Performance / Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to historic default tables.

Liquidity – in respect of this area the Council seeks to maintain a limits for: -

- Bank overdraft;
- Liquid short-term deposits available with a week's notice
- Weighted average life benchmark.

Yield - local measures of yield benchmarks.

4.7 End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.8 External Fund Managers

All investments are currently managed in-house and there are no funds externally managed on either a discretionary / pooled basis by fund managers.

5 APPENDICES

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Economic background
4. Counterparty list
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2026/27

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.1 Capital Expenditure

Capital expenditure £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
GF	9,849	32,745	45,945	20,397	6,557
HRA	8,666	19,109	17,023	35,962	36,071
Total	18,515	51,854	62,968	56,359	42,628

5.1.2 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators: -

Ratio of Financing Costs to Net Revenue Stream – General Fund

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs), against the net revenue stream.

%	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
GF	2.3%	2.9%	7.4%	11.0%	16.9%

Ratio of Financing Costs to Rental Income - HRA

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs) plus depreciation, against total rental income.

%	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA	46.5%	50.2%	48.2%	52.0%	56.1%

The estimates of financing costs include current commitments and the proposals in this budget report.

5.1.3 Maturity Structure of Borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits: -

Maturity structure of fixed interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	70%
10 years +	0%	90%

5.1.4. Control of Interest Rate Exposure

Please see paragraphs 3.3, 3.4 and 4.4.

5.2 ECONOMIC BACKGROUND

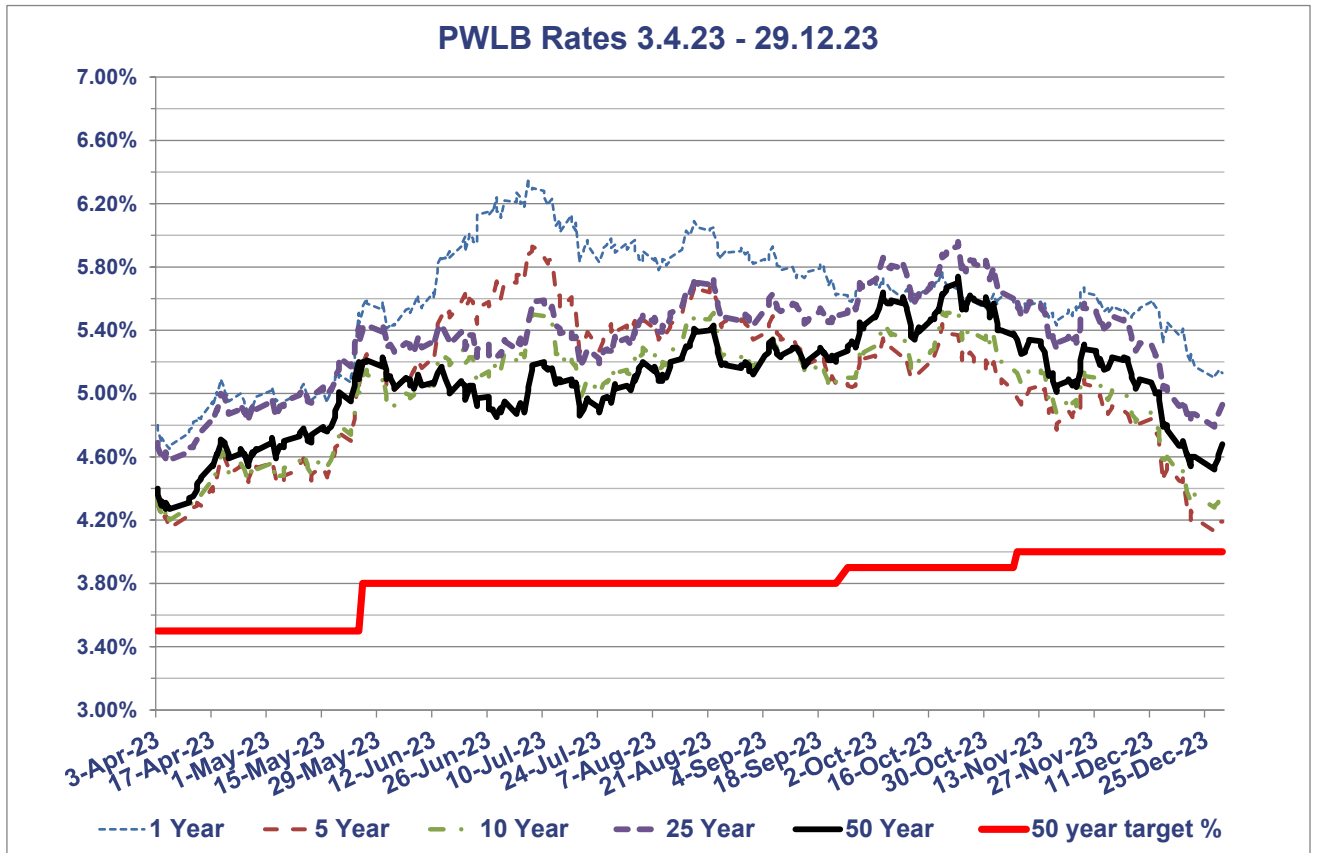
- The third quarter of 2023/24 saw:
 - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
 - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding Bank Rate at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide’s December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.

- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.

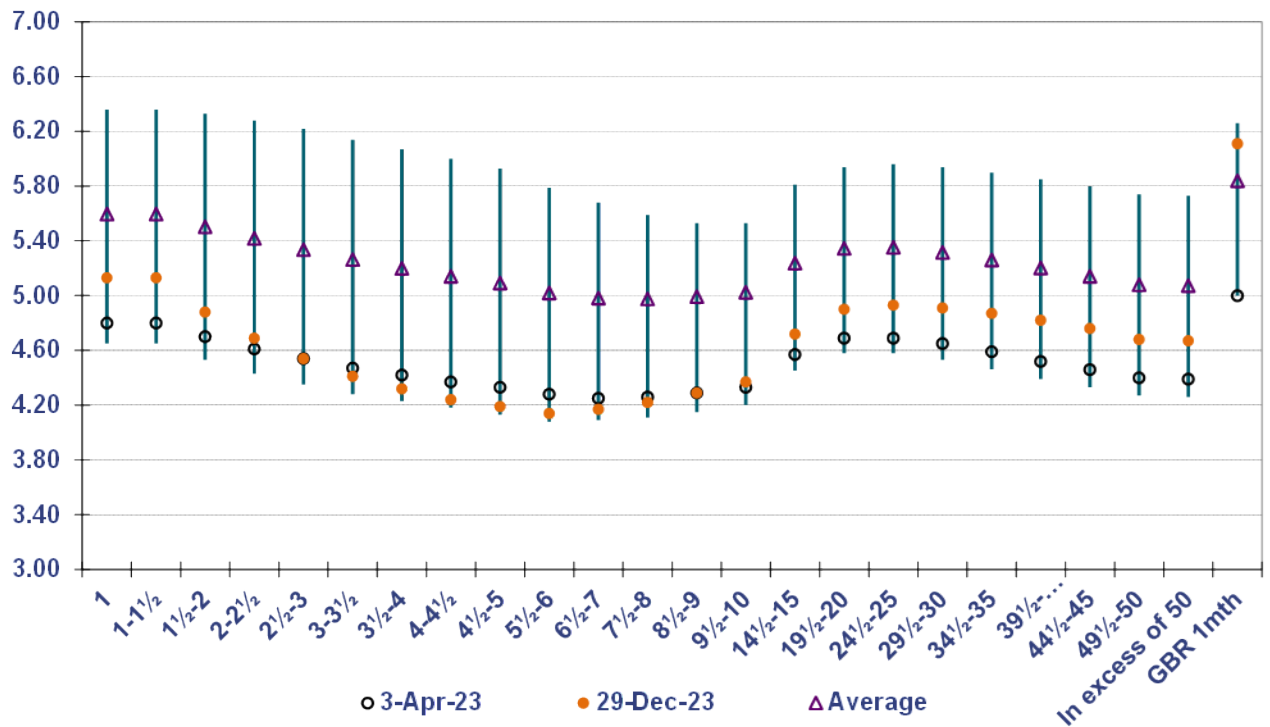
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

PWLB RATES 3.4.23 - 29.12.23



PWLB Certainty Rate Variations 3.4.23 to 29.12.23



HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

MPC meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England’s Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about “sticky” inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

5.3 COUNTERPARTY LIST

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Australia	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	17.62	In Range	Not Applicable	
Australia and New Zealand Banking Group Ltd.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	40.38	In Range	O - 12 mths	
Commonwealth Bank of Australia	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	41.29	In Range	O - 12 mths	
Macquarie Bank Ltd.	SB	A	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
National Australia Bank Ltd.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	42.36	In Range	O - 12 mths	
Westpac Banking Corp.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	46.36	In Range	O - 12 mths	
Belgium	NO	AA-				SB	Aa3		SB	AA		Not Applicable	Not Applicable	16.50	In Range	Not Applicable	
BNP Paribas Fortis	SB	A+	F1	a+	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
KBC Bank N.V.	SB	A+	F1	a	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Canada	SB	AA+				SB	Aaa		SB	AAA		Not Applicable	Not Applicable			Not Applicable	
Bank of Montreal	SB	AA-	F1+	aa-	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Bank of Nova Scotia	SB	AA-	F1+	aa-	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Canadian Imperial Bank of Commerce	SB	AA-	F1+	aa-	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
National Bank of Canada	SB	A+	F1	a+	WD	PO	Aa3	P-1	SB	A	A-1	R - 6 mths	O - 12 mths			O - 12 mths	
Royal Bank of Canada	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Toronto-Dominion Bank	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Denmark	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	9.49	In Range	Not Applicable	
Danske A/S	SB	A+	F1	a+	WD	PO	A2	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	45.18	In Range	R - 6 mths	
Finland	SB	AA+				SB	Aa1		SB	AA+		Not Applicable	Not Applicable	17.49	In Range	Not Applicable	
Nordea Bank Abp	SB	AA-	F1+	aa-	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
OP Corporate Bank plc		WD	WD		WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
France	SB	AA-				SB	Aa2		NO	AA		Not Applicable	Not Applicable	12.49	In Range	Not Applicable	
BNP Paribas	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	48.73	In Range	O - 12 mths	
Credit Agricole Corporate and Investment Bank	SB	A+	F1	WD	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Credit Agricole S.A.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	44.27	In Range	O - 12 mths	
Credit Industriel et Commercial	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Societe Generale	PO	A-	F1	a-	WD	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	57.21	In Range	R - 6 mths	
Germany	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	12.50	In Range	Not Applicable	
Bayerische Landesbank	SB	A-	F1	bbb+	WD	PO	Aa3	P-1		NR	NR	R - 6 mths	R - 6 mths			R - 6 mths	
Commerzbank AG		WD	WD	WD	WD	SB	A1	P-1	PO	A-	A-2	R - 6 mths	R - 6 mths	66.21	In Range	R - 6 mths	
Deutsche Bank AG	SB	A-	F2	a-	WD	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	90.07	In Range	R - 6 mths	
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	SB	AA-	F1+		WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Landesbank Baden-Wuerttemberg	SB	A-	F1	bbb+	WD	SB	Aa3	P-1		NR	NR	R - 6 mths	R - 6 mths			R - 6 mths	
Landesbank Berlin AG						SB	Aa3	P-1				O - 12 mths	O - 12 mths			O - 12 mths	
Landesbank Hessen-Thueringen Girozentrale	SB	A+	F1+		WD	SB	Aa3	P-1		NR	NR	O - 12 mths	O - 12 mths	67.81	In Range	O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Landwirtschaftliche Rentenbank	SB	AAA	F1+		WD	SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Norddeutsche Landesbank Girozentrale	SB	A-	F1	bb	WD	PO	A3	P-2		NR	NR	G - 100 days	G - 100 days			G - 100 days	
NRW.BANK	SB	AAA	F1+		WD	SB	Aa1	P-1	SB	AA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Netherlands	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	10.99	In Range	Not Applicable	
ABN AMRO Bank N.V.	SB	A	F1	a	WD	SB	Aa3	P-1	SB	A	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
BNG Bank N.V.	SB	AAA	F1+		WD	SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Cooperatieve Rabobank U.A.	SB	A+	F1	a+	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	28.68	In Range	O - 12 mths	
ING Bank N.V.	SB	AA-	F1+	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	36.29	In Range	O - 12 mths	
Nederlandse Waterschapsbank N.V.						SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Norway	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	9.99	In Range	Not Applicable	
DNB Bank ASA						SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Qatar	PO	AA-				PO	Aa3		SB	AA		Not Applicable	Not Applicable	45.64	In Range	Not Applicable	
Qatar National Bank	PO	A	F1	bbb+	WD	SB	Aa3	P-1	SB	A+	A-1	R - 6 mths	O - 12 mths	85.64	In Range	O - 12 mths	
Singapore	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable			Not Applicable	
DBS Bank Ltd.	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Oversea-Chinese Banking Corp. Ltd.	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
United Overseas Bank Ltd.	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Sweden	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	11.99	In Range	Not Applicable	
Skandinaviska Enskilda Banken AB	SB	AA-	F1+	aa-	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Svenska Handelsbanken AB	SB	AA	F1+	aa	WD	NO	Aa2	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Swedbank AB	SB	AA-	F1+	aa-	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Switzerland	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	8.16	In Range	Not Applicable	
UBS AG	SB	A+	F1	a	WD	NO	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	55.17	In Range	O - 12 mths	
United Arab Emirates	SB	AA				SB	Aa2		SB	AA		Not Applicable	Not Applicable	41.17	In Range	Not Applicable	
First Abu Dhabi Bank PJSC	SB	AA-	F1+	a-	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
United Kingdom	NO	AA-				SB	Aa3		SB	AA		Not Applicable	Not Applicable	25.46	In Range	Not Applicable	
Collateralised LA Deposit*												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Debt Management Office												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Multilateral Development Banks												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Supranationals												Y - 60 mths	Y - 60 mths			Y - 60 mths	
UK Gilts												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Al Rayan Bank Plc						NO	A1	P-1				R - 6 mths	R - 6 mths			R - 6 mths	
Bank of Scotland PLC (RFB)	SB	A+	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	44.28	In Range	R - 6 mths	
Barclays Bank PLC (NRFB)	SB	A+	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	84.08	In Range	R - 6 mths	
Barclays Bank UK PLC (RFB)	SB	A+	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
Close Brothers Ltd	NO	A-	F2	a-	WD	SB	Aa3	P-1				R - 6 mths	R - 6 mths			R - 6 mths	
Clydesdale Bank PLC	PO	A-	F2	bbb+	WD	SB	A3	P-2	SB	A-	A-2	G - 100 days	G - 100 days			G - 100 days	
Co-operative Bank PLC (The)	SB	BB	B	bb-	WD	PO	Ba1	NP				N/C - 0 mths	N/C - 0 mths			N/C - 0 mths	
Goldman Sachs International Bank	SB	A+	F1		WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	65.69	In Range	R - 6 mths	
Handelsbanken Plc	SB	AA	F1+		WD				SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
HSBC Bank PLC (NRFB)	SB	AA-	F1+	a	WD	SB	A1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	45.69	In Range	O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
United States	SB	AA+				NO	Aaa		SB	AA+		Not Applicable	Not Applicable	42.79	In Range	Not Applicable	
Bank of America N.A.	SB	AA	F1+	aa-	WD	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Bank of New York Mellon, The	SB	AA	F1+	aa-	WD	NO	Aa1	P-1	SB	AA-	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Citibank N.A.	SB	A+	F1	a	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	60.92	In Range	O - 12 mths	
JPMorgan Chase Bank N.A.	SB	AA	F1+	aa-	WD	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Wells Fargo Bank, NA	SB	AA-	F1+	a+	WD	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	60.90	In Range	O - 12 mths	

Yellow	Purple	Blue	Orange	Red	Green	No Colour
Up to 5yrs	Up to 2yrs	Up to 1yr (semi nationalised UK bank NatWest/RBS)	Up to 1yr	Up to 6 months	Up to 100 days	Not to be used

Watches and Outlooks: SB- Stable Outlook; NO- Negative Outlook; NW- Negative Watch; PO- Positive Outlook; PW- Positive Watch; EO- Evolving Outlook; EW- Evolving Watch; WD- Rating Withdrawn.

Non-Specified Investments:			
	Minimum credit Criteria	Maximum Investments	Period
UK Local Authorities	Government Backed	£2m	2 years
Green Energy Bonds	Internal and External Due Diligence	£2m	2-5 years

5.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K.

5.5 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Governance Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.6 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council;
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees ;
- ensuring that members are adequately informed and understand the risk exposures taken on by the Council;
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non-treasury investments will be carried out and managed, to include risk management, performance management and measurement, decision making, governance and organisation, reporting and management information and training and qualifications.

5.7 GLOSSARY

Terms	Descriptions
A (Fitch) Rating	Fitch Ratings publishes credit ratings that are forward-looking opinions on the relative ability of an entity or obligation to meet financial commitments. <i>A: High credit quality.</i> 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets.
Borrowing	Usually refers to the stock of outstanding loans owed, and bonds issued.
CFR	Capital Financing Requirement. A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
CIPFA	The Chartered Institute of Public Finance and Accountancy (CIPFA) is a UK-based international accountancy membership and standard-setting body. The only such body globally dedicated to public financial management.
Collective investment scheme	Scheme in which multiple investors collectively hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Cost of carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.

Terms	Descriptions
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
DLUHC	Department for Levelling Up, Housing and Communities (<i>formerly known as Ministry of Housing, Communities and Local Government - MHCLG</i>).
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government’s debt and investments.
Equity	An investment which usually confers ownership and voting rights.
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA.
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two.
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
Income Return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
GILT	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Phased out in 2022.
LOBO	Lender’s Option Borrower’s option.
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to Constant Net Asset Value (CNAV) and Low Volatility Net Asset Value (LVNAV) funds with a Weighted Average Maturity (WAM) under 60 days which offer instant access, but the European Union definition extends to include cash plus funds.
MPC	The Monetary Policy Committee (MPC) decides what monetary policy action the Bank of England will take to keep inflation low and stable.
OBR	The Office for Budget Responsibility was created to provide independent and authoritative analysis of the UK's public finances. It is one of a growing number of official independent fiscal watchdogs around the world.
PMI	Purchasing Managers' Index (PMI) - a composite PMI is the weighted average of manufacturing and service sector PMIs for a given geography or economy, produced by IHS Markit. Weights are derived from official data relating to each sector's contribution to GDP (value added).

Terms	Descriptions
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Quantitative easing (QE)	Process by which central banks directly increase the quantity of money in the economy to promote GDP growth and prevent deflation. Normally achieved by the central bank buying government bonds in exchange for newly created money.
S & P 500	The S&P 500 (also known as the Standard & Poor's 500) is a registered trademark of the joint venture S&P Dow Jones Indices. It is a stock index that consists of the 500 largest companies in the U.S. and is generally considered the best indicator of how U.S. stocks are performing overall.
SME	SME finance is the funding of small and medium-sized enterprises and represents a major function of the general business finance market – in which capital for different types of firms are supplied, acquired, and costed or priced.
SONIA	Sterling overnight interest average – a benchmark interest rate for overnight deposits.
Short-dated	Usually means less than one year.
TMSS	Treasury Management Strategy Statement.
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.

Capital Strategy Statement

Lewes District Council

2024/25+

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Capital Strategy

1) Introduction

1.1 This Capital Strategy provides high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in Lewes District Council (LDC), along with an overview of how associated risk is managed and the implications for future financial sustainability. It has purposely been written in an accessible style to enhance understanding of what can be very technical areas, and the key objectives are to deliver a capital programme that:

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

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

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

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

2. Capital Expenditure and Financing

2.1 Expenditure

2.1.1 Capital expenditure occurs when the Council spends money on assets such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below a de-minimis level are not capitalised and are charged to revenue in year.

2.1.2 Further details on the capitalisation policy can be found in the Council's Statement of Accounts.

2.1.3 In 2024/25, the Council is planning capital expenditure of £50.3 million (and £119.9m over the following three years) as summarised in Table 1 below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

Capital Expenditure	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
General Fund	29,936	34,909	18,951	6,138	1,865
Housing Revenue Account (HRA)	19,109	17,023	35,962	36,071	27,315
Loans (including subsidiary companies)	-	850	500	419	-
Commercial Investments	-	-	-	-	-
Service Investments	2,809	10,186	946	-	-
TOTAL	51,854	62,968	56,359	42,628	29,180

2.1.4 The main General Fund capital projects scheduled for 2024/25+ are as follows:

- Newhaven Future High Streets Fund and Town Deal
- Robinson Road Depot Redevelopment
- Local Energy Schemes
- New Crematorium and Green Burial Facility

The main Service Investment capital projects scheduled for 2024/25+ are as follows:

- Newhaven Levelling Up Fund
- North Street Quarter

2.1.5 Commercial Investments are primarily for financial return. Service Investments are taken or held primarily and directly for the delivery of public services rather than commercial gain. Some projects may include elements of both purposes, so a judgment is made on the primary purpose.

2.1.6 The HRA is a ring-fenced account which ensures that the Council's housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes £64m allocated to the New Build & Acquisitions programme and £25m to Major Improvements over 2024/25 – 2026/27 forecast period.

2.2 Governance

2.2.1 The evaluation, prioritisation and acceptance of capital schemes onto the Capital Programme is carried out in accordance with strict criteria that ensures that added schemes reflect Council priorities and can be delivered within available resources (e.g. due priority is given to schemes yielding savings and/or generating income as well as meeting a Council priority).

2.2.2 The draft Capital Programme is subject to formal scrutiny prior to setting the budget (and followed by Cabinet and Full Council approval).

2.3 Financing

- 2.3.1 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is presented in **Table 2** below.

Table 2: Capital Financing Sources

	2023/24	2024/25	2025/26	2026/27	2027/28
	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
External sources (Grants and Contributions)	17,412	16,432	11,044	3,350	5,438
Own resources (Capital Receipts, MRR, Reserves, Revenue)	16,456	25,893	8,755	11,089	9,826
Borrowing	17,986	20,643	36,560	28,189	13,916
TOTAL	51,854	62,968	56,359	42,628	29,180

- 2.3.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as "Minimum Revenue Provision" (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are presented in **Table 3** below.

Table 3: Repayment of Debt Finance

	2023/24	2024/25	2025/26	2026/27
	Forecast	Estimate	Estimate	Estimate
	£000	£000	£000	£000
MRP	467	1,247	1,392	2,028

- 2.3.3 The Council's annual MRP statement can be found within the Treasury Management Strategy Statement.
- 2.3.4 The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £15.5m in 2024/25. Based on the above figures for expenditure and financing, the Council's estimated CFR is presented in **Table 4** below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)

	2023/24	2024/25	2025/26	2026/27
	Forecast	Estimate	Estimate	Estimate
	£000	£000	£000	£000
General Fund	38,927	67,193	81,275	83,904
HRA	78,028	78,028	100,215	123,747
TOTAL	116,955	145,221	181,490	207,651

3. Asset Management

3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially in a rapidly changing operational and technological backdrop. Consequently, at the time of preparing this Capital Strategy, a new Asset Management Strategy (AMS) is under development. Led by the Asset Management team and backed by a comprehensive review of Council assets, the AMS will take a longer-term view comprising:

- 'Good' information about existing assets;
- The optimal asset base for the efficient delivery of Council objectives;
- The gap between existing assets and optimal assets;
- Strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds (known as capital receipts) can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts (flexible use) on service transformation projects. Repayments of capital grants, loans and investments also generate capital receipts. The Council takes a prudent approach of assuming future capital receipts only when there is a high probability of realisation.

4. Treasury Management

4.1 Introduction

4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is not cash rich as it utilises all its available cash before borrowing which in the current climate is more economic.

4.1.2 As at 31 December 2023, the Council had long term borrowing of £47.7m at an average interest rate of 3.3%, and cash balances of £20.1m (including government and bank deposits with average rate of 5.1%).

4.2 Borrowing

4.2.1 The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between short-term loans (currently around 5.6%) and long-term fixed rate loans where the future cost is known but higher (e.g. 5.0% for a 25 year term).

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

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

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000
Debt	75,909	75,909	106,996	140,528
CFR	116,955	145,221	181,490	207,651

- 4.2.3 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from **Table 5**, the Council expects to comply with this in the medium term.

Affordable Borrowing Limit

- 4.2.4 The Council is legally obliged to set an affordable borrowing limit (also termed the “Authorised Limit” for external debt) each year. In line with statutory guidance, a lower “Operational Boundary” is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000
Authorised Limit	145,850	179,880	223,510	255,010
Operational Boundary	139,500	172,100	213,910	244,100

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

4.3 PWLB Borrowing

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

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

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

- Service spending, i.e. activities that would normally be captured in the following areas in the DLUHC Capital Outturn Return (COR): culture & related services, environmental & regulatory services, etc.
- Housing, i.e., activities normally captured in the HRA and General Fund housing sections of the COR, or housing delivered through a local authority housing company.
- Regeneration projects would usually have one or more of the following characteristics:

- the project is addressing an economic or social market failure by providing services, facilities, or other amenities;
 - the Council is making a significant investment in the asset beyond the purchase price:
 - the project involves or generates significant additional activity that would not otherwise happen without the Council's intervention;
 - the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services.
- Preventative action with the following characteristics - intervention that prevents a negative outcome, there is no realistic prospect of support from a source other than the Council; has an exit strategy, and does not propose to hold the investment for longer than is necessary; the intervention takes the form of grants, loans, sale and leaseback, equity injections, or other forms of business support that generate a balance sheet asset.
 - Treasury management covers refinancing or extending existing debt from any source, and the externalisation of internal borrowing.
- 4.3.5 Individual projects and schemes may have characteristics of several different categories. In these cases, the CFO would use professional judgment to assess the main objective of the investment and consider which category is the best fit.
- 4.3.6 If the Council wishes to on-lend money to deliver objectives in an innovative way, the government expects that spending to be reported in the most appropriate category based on the eventual use of the money. The Council must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans.
- 4.3.7 Under the prudential code, the Council cannot borrow from the PWLB or any other lender for speculative purposes, and must not use internal borrowing to temporarily support investments purely for yield, which would usually have one or more of the following characteristics:
- buying land or existing buildings to let out at market rate;
 - buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification;
 - buying land or existing buildings other than housing which generate income and are intended to be held indefinitely.
- 4.3.8 The decision over whether a project complies with the terms of the PWLB is for the Chief Finance Officer. This decision will be final unless the Treasury has concerns that issuing the loan is incompatible with HM Treasury's duty to Parliament to ensure that public spending represents good value for money to the Exchequer and aligns with relevant legislation. In practice such an eventuality is highly unlikely and would only occur after extensive discussion with the local authority in question – but a safeguard is necessary to protect the taxpayer.

4.4 Investments

- 4.4.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 4.4.2 The Council's Investment Strategy is to prioritise security and liquidity over yield and social/ethical impact, focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely in selected high-quality banks, to minimise the risk of loss.

4.5 Climate Change and Sustainability Strategy

- 4.5.1 The Climate Change and Sustainability Strategy was produced following the Climate Emergency declaration made at Full Council in July 2019 and sets out the district wide strategy and vision for a net zero carbon district by 2030. The visions and actions contained within the strategy have been developed in response to the urgency of the climate emergency being faced. The strategy will enable the Council to work with the community to co-ordinate its response into meaningful and long-lasting action. With limited financial resources the Council needs to ensure it prioritises the right actions to have a lasting positive impact on the district in relation to carbon reduction, sustainability and a green economic recovery.
- 4.5.2 The Community Wealth Building Strategy and action plan is a fundamental, enabling strand of the climate change action plan, and contributes considerably to the deliverability of the council's ambitions. Buying more locally, employing local staff, and encouraging local investment in our projects helps increase, and keep, wealth and jobs within our community whilst reducing carbon emissions.

4.6 The Council's Approach to Ethical Investments

- 4.6.1 Ethical investing is a term used to describe an investment process which takes environmental, social and governance (ESG) or other ethical considerations into account and is a topic of increasing interest within treasury management. Investment guidance, both statutory and from CIPFA, makes clear however that all investment must adopt the principals of security, liquidity, yield and that ethical issues must play a subordinate role to those priorities.
- 4.6.2 Furthermore, the council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the council's mission and values. This would include avoiding direct investment in institutions with material links to:
- Human rights abuse (e.g. child labour, political oppression);
 - Environmentally harmful activities (e.g. pollutions, destruction of habitat, fossil fuels);
 - Socially harmful activities (e.g. tobacco, gambling).
- 4.6.3 The investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities. Link is looking at ways to incorporate these factors into their creditworthiness assessment service, but with a lack of consistency, as well as coverage, Link continue to review the options and will update the Council as progress is made.

4.7 Governance

- 4.7.1 Treasury management decisions are made daily and are therefore delegated to the CFO, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on treasury management are also approved by the Council (following recommendation from Audit and Governance Committee), whereas mid-year updates are reported exclusively to the Audit and Governance Committee. Quarterly performance reports are also submitted to Cabinet.

5. Investments for Service Purposes

- 5.1 Investments for service purposes' (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.
- Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.
 - For local authorities, service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments.
- 5.2 The Council will sometimes make investments for service delivery purposes where there is a strategic case for doing so. Given its public service objectives, the Council is willing to take more risk than with treasury investments, nevertheless the arrangements feature cost reduction incentives, from which the Council will benefit.
- 5.3 Examples would include the purchase of office blocks, retail units or other assets inside of the local authority area.
- 5.4 Decisions on service investments are made by the Council's Cabinet and require the support of a full business case.

Investments for Treasury Management purposes

- 5.5 Investments for treasury management purposes' (or treasury management investments) are those investments that arise from the Council's cash flows or treasury risk management activity, and ultimately represent balances that need to be invested until the cash is required for use in the course of business.
- Treasury investments may include an allowance for a reasonable level of short-term treasury investments to provide access to liquidity.
 - Treasury investments may also include the investment of borrowing proceeds where it has been prudent for an organisation to borrow in advance of the need for cash, e.g. in order to reduce financing and interest rate risks.
 - Treasury investments may also arise from other treasury risk management activity that seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.
 - Treasury management investments should always be on commercial terms and will rarely constitute capital expenditure for local authorities.
 - For authorities with long-term surplus cash, this category may include long-term investments such as equities, bonds and property, whether accessed through a fund or directly, but unless there is a link to cash flow management or treasury risk management activity, it is likely that such investments would be for commercial purposes, i.e. primarily for financial return.

6. Commercial Investments

- 6.1.1 Commercial in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs, and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily in order to generate net financial return or profit.
- 6.1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both incomes driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition. In the context of the Capital Strategy, the council is using capital to invest in property to provide a positive surplus/financial return.
- 6.1.3 Local authorities will be prohibited from accessing the PWLB if they plan debt-for-yield commercial investments in any of the three years. Commercial activity must be secondary priority to economic regeneration and housing provision. There will be more monitoring of what it is that local authorities are delivering by way of a capital scheme and Section 151 officers are required to formally validate those policies to HM Treasury/PWLB.
- 6.1.4 The Council can fund the purchase of investment property through various means **excluding borrowing** money, normally from the Debt Management Office as part of HM Treasury. The rental income paid by the tenant/annual surplus then supports the council's budget position and enables the council to continue to provide services for local people. The reasons for buying and owning property investments are primarily
- Financial returns to fund services to residents
 - Market and economic opportunity.
 - Economic development and regeneration activity in the district.
- 6.1.5 Historically, property has provided strong investment returns in terms of capital growth generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. The strategy makes it clear that the council will continue to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process.
- 6.1.6 An example would be the purchase of assets, such as a retail unit, outside of the local authority area.

6.2 Current Investments

- 6.2.1 In recent years, the Council has invested in commercial property in the District on a selective basis, usually where there is a fit with corporate priorities and a positive financial return that can be used to contribute towards the protection of local services.

6.3 Commercial Investment Strategy

- 6.3.1 However, in recognition of the continued shortfall in local government funding and commitments, Council's could look to a Commercial Investment Strategy to support and achieve a step change increase in commercial investment and trading.
- 6.3.2 CIPFA has made clear that Councils should not borrow to invest commercially, and their Capital Investment Strategy must make it clear as to where they depart from this principle and why. However, it has been recognised that local investments that are primarily designed for regeneration or service delivery purposes and which have a knock-on positive impact to the revenue budgets are not intended to be covered by this principle.
- 6.3.3 Councils must demonstrate that such investments are "proportionate" to their resources. The Council's approach will incorporate the revised CIPFA guidance when it is published; this will enhance the other risk management features that are being developed, which includes a strict governance framework, the use of real estate investment experts and diversified portfolios. The aim is to offset principle risks such as falling capital values and 'voids'. However, (within a tightly controlled framework) the Council ultimately accepts a higher risk on commercial investments compared to its prudent treasury investment that has primarily focused to date on protecting the principal.
- 6.3.4 The Council considers investing in housing properties and commercial properties within the District to be related to its temporary accommodation strategy and local regeneration. It will invest commercially but in relation to the services it provides or to build and strengthen the local economy, with the related benefit of increased business rates.

6.4 Governance

- 6.4.1 Governance arrangements would need to be stipulated within a Commercial Investment Strategy.

6.4 Deciding whether investments are for treasury, service or commercial purposes

- 6.4.1 It is the purpose of an investment that identifies whether it is for treasury management, service or commercial purposes. Any individual investment or class of investments can be in any of these three categories. The chief finance officer will need to make a professional judgement about which category a given investment falls into.
- 6.4.2 For example, pooled investment funds are widely used for treasury management purposes to invest sums until the time required to meet future cash flows. But if they were to be used by authorities that have a borrowing need as long-term investments primarily for the purpose of earning a profit above the cost of borrowing, they should be classed as investments for commercial purposes. The authority would be borrowing in order to invest primarily for financial return.
- 6.4.3 The boundary between treasury management use of pooled funds and commercial use of pooled funds is for the chief finance officer and treasury teams to judge. For example, it might be appropriate for an authority to hold a low-risk, short-duration bond fund, even if it forecasts a likely need to borrow within the duration of the fund, as part of its liquidity strategy, with limited risk to capital and no net cost to the revenue account. As part of a short-to-medium-term treasury management strategy to manage the authority's liquidity needs and borrowing costs, such investments might be considered to be treasury investments.

6.4.4 A truly long-term fund, for example of equities or property, is unlikely to meet this purpose for a borrowing authority, as the risks to capital are too high to make sense as part of liquidity management. The authority's investment strategy could set out the reasoning for judging such funds to be for treasury management purposes rather than being primarily for financial profit.

7. Other Liabilities

7.1 Outstanding Commitments

7.1.1 The Council also has the following outstanding commitments:

- The Council has also set aside £0.59m at 31st March 2023 to cover the financial risk associated with Business Rates appeals lodged with the Valuation Office Agency (VOA).

7.2 Guarantees

7.2.1 A 30-year Business Plan for the Council's HRA has been developed, which is currently generating sufficient rental income each year to run an efficient and effective housing management service, whilst at the same time servicing the outstanding debt. However, if the HRA is unable to repay the outstanding debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The current balance on HRA debt is £75.9m (PWL B £42.7m plus Market Loan £5.0m plus £28.2m loans from the general fund).

7.3 Governance

7.3.1 Decisions on incurring new discretionary liabilities are taken by Directors and Heads of Service in consultation with the CFO. For example, in accordance with the Financial Procedure Rules credit arrangements, such as leasing agreements, cannot be entered into without the prior approval of the CFO.

8. Revenue Implications

8.1 Financing Cost

8.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue (excluding investment income receivable). The annual charge is known as financing costs and this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates and general Government grants.

Table 7a: Prudential Indicator: Estimate of Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Financing Costs (£000)	467	1,247	1,852	2,908
Proportion of Net Revenue Stream %	2.9%	7.4%	11.0%	16.9%

Table 7b: Prudential Indicator: Estimate of Proportion of Financing Costs to Rental Income (HRA)

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Financing Costs [including depreciation] (£000)	8,553	9,119	10,136	11,266
Proportion of Rental Income %	50.2%	48.2%	52.0%	56.1%

Table 7c: Prudential Indicator: Proportion of Net Income to Net Revenue Stream (Commercial & Service)

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Net Income (£000)	1,671	1,721	1,773	1,826
Proportion of Net Revenue Stream %	10.3%	10.3%	10.6%	10.6%

8.1.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many years into the future.

8.2 Prudence, Affordability and Sustainability

8.2.1 The CFO is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable and sustainable based on the following:

Prudence

- Prudential indicators 7 and 8 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
 - *Prudential Indicator 7 (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term.
 - *Prudential Indicator 8 (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost-effective manner.

Affordability

- The estimated ‘revenue consequences’ of the Capital Programme (£141 million over three years) have been included in the 2024/25 Budget and Medium-Term Financial Strategy (MTFS), extending to 2027/28; and

- The MTFS includes a reserves strategy, which includes contingency funds in the event that projections are not as expected (further supported by CFO report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

Sustainability

- Capital schemes that are expected to deliver long-term revenue savings/generate income are given due priority.
- As explained in Section 3.1 above, the Asset Management Strategy will represent an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

9. Prioritisation Principles and Obligations to deliver a scheme

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

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

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

- 9.3 The Council's financial and service planning process need to ensure decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach. The funding of capital schemes is via the following hierarchy:
- External grants and contributions;
 - Capital receipts from the disposal of fixed assets;
 - Leasing finance; (where applicable);
 - Revenue contributions;
 - External Borrowing.
- 9.4 The strategy will be to employ 'Whole Life Costing' that will demonstrate the systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset, i.e., encourages decision-making that takes account of the initial capital cost, running cost, maintenance cost, refurbishment requirements and disposal cost.

10. Knowledge and Skills

10.1 Officers

- 10.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* - the Chief Finance Officer (CFO) and Deputy Chief Finance Officer (DCFO) are qualified (ACCA/ CIPFA) accountants with many years of public and private sector experiences. The Council sponsors junior staff to study for relevant professional qualifications including AAT, CIPFA and ACCA. The Council also supports training courses and conferences across all aspects of accounting.
- *Property* – the Head of Property and Asset Management (HPAM) – a qualified property professional - is responsible for Asset Management within the Council. It comprises Asset Development, Building and Maintenance, Corporate Landlord and development functions of the Council. Each area has appropriately qualified professionals within their individual specialism. The HPAM post plays a key role in the Council's approach to any commercial investment and trading (highlighted above in Section 6).

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

10.2 External Advisors

- 10.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisers and consultants that are experts/specialists in their field. The Council currently employs Link Asset Services as advisers, and the Asset Management team will commission advisors as appropriate (e.g. development managers, valuers) to support their work where required to ensure that the Council has access to knowledge and skills commensurate with risk.

10.3 Councillors

- 10.3.1 Elections were held in May 2023 and treasury training was provided in November 2023. May 2027 is the next date for district council elections. Duly elected councillors will receive training appropriate to their role in the new Council.

10.3.2 Specifically with regard to Treasury Management, the Council acknowledges the importance of ensuring that members have appropriate capacity, skills and information to effectively undertake their role. To this end, newly elected Lewes councillors with Treasury Management responsibilities will receive tailored training sessions from the Council's Treasury Management advisors (Link Asset Services).

11. CFO Statement

11.1 Prudential Code

11.1.1 Paragraph 24 of the recently updated Prudential Code determines that..." the Chief Finance Officer should report explicitly on the affordability and risk associated with the Capital Strategy".

11.1.2 Accordingly, it is the opinion of the CFO that the Capital Strategy as presented is affordable, and associated risk has been identified and is being adequately managed.

11.2 Affordability

11.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2.1) is supported by a robust and resilient MTFs extending through until 2024/25 that contains adequate revenue provision, including sufficient reserves in the event that plans and assumptions do not materialise as expected.
- *Asset Management* – as presented above (in Section 3.1) a new Asset Management Strategy is under development, which is taking a strategic longer-term (i.e. beyond 2025/26) view of the Council's asset base. A fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which will be reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets.
- *Commercial Investment* – as presented above (in Section 6.3) the Commercial Investment Strategy is also under development. The primary aim of the Strategy long-term is income generation to replace the shortfall in Government funding. The Strategy is progressing positively towards the delivery stage and its success will be critical to the long-term affordability of the Capital Strategy.

11.3 Risk

11.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- *Treasury Management Strategy* – the Council will formally approve the Treasury Management Strategy for 2024/25, at the Lewes District Council – Full Council meeting on 19 February 2024, in accordance with CIPFA's "Treasury Management in the Public Services: Code of Practice 2021".

That Strategy was developed by the Council's (professionally qualified and experienced) Finance team and informed by specialist advisors Link Asset Services and other relevant and extant professional guidance.

- *Investment Strategy* – the Council will also formally approve an Investment Strategy for 2024/25, at the Full Council meeting on 19 February 2024, in accordance with DLUHC’s “Statutory Guidance on Local Government Investments (3rd Edition) 2021”. As with the Treasury Management Strategy, the Investment Strategy was developed by the Finance team and informed by specialist advisors Link Asset Service and other relevant and extant professional guidance.
- *Commercial Activities* – as noted above (in paragraph 6.3) the Council could significantly expand the scale of its commercial activities in the medium-term as part of a Commercial Investment Strategy. It is recognised and accepted that increased commercial activity brings with its additional risk. A Strategy should be developed in accordance with contemporary best practice. This includes the engagement of professional advisors on the commercial, financial and legal aspects of a project and the preparation of full supporting business cases prior to the commencement of both in-house and arm’s length trading activities, strictly in accordance with HM Treasury’s ‘five-case model’ (“The Green Book: Central Government Guidance on Appraisal and Evaluation”).

12.0 Capital Programme Oversight Board

12.1 Objectives

- The Capital Programme Oversight Board (CPOB) will provide strategic direction, oversight and corporate assurance for the General Fund capital programme and Housing Revenue Account (HRA) Business Plan across Eastbourne Borough and Lewes District Councils;
- The CPOB will have an oversight and stewardship role for the delivery of both Councils Capital expenditure including, the Council General Fund Capital Plan, the Council’s Housing Capital (HRA), Commercial Activities/non-commercial investments and capital financing/funding;
- The CPOB is also responsible for addressing programme issues and reviewing risk and financial implications for LECs;
- The CPOB will drive through the Assurance Review recommendations in respect of the capital programme and move towards a fully sustainable capital programme and asset release.

12.2 Responsibilities

The responsibilities of the CPOB are to:

- Be responsible and accountable for feeding into the annual Service & Financial Planning process;
- Establish and embed a robust and effective governance framework through which all Councils capital projects will be evaluated, prioritised for development and delivery, subject to Member approval;
- Provide oversight of the capital programme and the Housing Revenue Account (HRA) Business Plan;
- Agree recommendations to relevant Committee(s), as required, to ensure the programme achieves its objectives in-line with initial proposals, Business Cases and options appraisals assessed through PRSOP and RAMP;
- Scrutinise and challenge programmes and projects at a strategic level in relation to budgets, actual spend, timing, and overall financial strategy;
- Monitor the achievement of the capital programme’s core aims and objectives;

- Monitor the HRA Business Plan assumptions in line with Section 76 of the Local Government and Housing Act 1989;
- Continually monitor any potential impacts upon the HRA as they evolve i.e., Social Housing White Paper, post Covid-19;
- Monitor the critical path for delivery across the capital programme;
- Take timely decisions as the capital programme evolves;
- Ensure the capital programme is delivered in a joined-up way across Council departments;
- Assist with resolving issues across Council departments;
- Ensuring appropriate resources, capacity and capability are in place to deliver the capital programme across LECs, and where necessary, commit resources as required;
- Ensure risks are being effectively managed and updated, and mitigations are identified appropriately required.

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Agenda Item 10

Report to:	Cabinet
Date:	1 February 2024
Subject:	Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-28
Report of:	Homira Javadi, Director of Finance and Performance
Cabinet member:	Councillor Zoe Nicholson, Leader of the Council and Cabinet Member for Finance, Assets and Community Wealth Building
Ward(s):	All
Purpose of the report:	To agree the detailed HRA budget proposals, rent levels and service charges for 2024/25 and the HRA Capital Programme 2023-28
Decision type:	Budget and policy framework
Recommendation:	Members are asked to recommend the following proposals to Full Council: <ul style="list-style-type: none">i) The HRA budget for 2024/25 and revised 2023/24 budget as set out in Appendix 1ii) That social and affordable rents (including Shared Ownership) are increased by 7.7% with effect from 1st April 2024, in line with government policy issued in December 2022iii) That, with effect from 1st April 2024, when social-rented properties are relet to new tenants, the applicable rent will be increased by 5% above target rentiv) That the revised service charges as set out in paragraph 2.3 of this report are implemented with effect from 1st April 2024v) That garage rents are increased by 6.7%vi) The HRA Capital Programme as set out in Appendix 2vii) To note that £5.691m of Major Works expenditure is shown in the Capital Programme in 2024/25 and 2025/26 to improve EPC ratings in HRA properties, this expenditure being the subject of a Government grant bid to secure 50% match-funding

Reasons for recommendations: The Cabinet must recommend to Full Council the setting of the HRA revenue and capital budget and the level of social and affordable housing rents for the forthcoming year

Contact Officer(s) Names: Helen Waring and Katie Haffenden
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1.0 Introduction

1.1 The HRA is a statutory ring-fenced account that represents all landlord functions. The HRA is required to be self-financing, which means that expenditure must be entirely supported from rental and other HRA-related income. The main tool for the financial management of the HRA is the 30-Year Business Plan.

1.2 Any significant changes to the assumptions underpinning the 30-Year Business Plan will trigger a full review to assess the impact, but, in any event, there will be an annual review and update.

2 Proposal

2.1 2024/25 HRA Revenue Budget

2.1.1 The 2024/25 budget is attached at Appendix 1.

2.1.2 The 2024/25 budget is showing an operating surplus of £479k (before a revenue contribution to capital expenditure is made) compared to a deficit of £375k in the 2023/24 revised budget, an improvement of £854k. It should be noted that, in the context of the HRA 30-Year Business Plan, an in-year deficit is not of concern in either year, as the balance on the account at the end of each year remains in surplus.

2.1.3 The contribution to capital expenditure for 2024/25 is £1,108k. These contributions are made depending on the size of the proposed Capital Programme and the affordability for the Revenue Account. Appendix 2 shows that contributions for 2025/26, 2026/27 and 2027/28 are reduced due to affordability for the Revenue Account. After this, they begin to increase again.

2.1.4 Rent, Service Charges and other inflationary income increases of £2.0m are partly offset by inflationary increases in costs of £912k. There has also been a net increase in interest costs of £234k.

2.1.5 The Major Repairs Reserve is funded from cash backed depreciation of £6.021m plus inflation per year and will be used to fund expenditure on improving the stock and other HRA assets.

2.1.6 The HRA external debt outstanding at 31.03.23 was £51.673m. Internal debt outstanding (borrowed from the General Fund) was £24.236m. The total

outstanding debt at 31.03.25 is estimated to remain at this level. In later years, debt levels will increase as the Authority begins to borrow more to fund property acquisitions and new build. The average debt per property is currently approximately £24k.

2.1.7 The Council's treasury management advisors are predicting a gradual decrease in interest rates (from the current relatively high level of 5.00%) over the next three years. The interest budget has been prepared on this basis.

2.1.8 The HRA outturn for 2023/24 is expected to deliver a £469k deficit, an adverse variance of £410k over the original budget. This is mainly due to:

- a) a net increase in expected income of £44k – due to lower than expected Right to Buy Sales and increased new builds and acquisitions
- b) a net increase in costs of £460k made up as follows:
 - a pressure of £316k on the repairs and maintenance budget due to inflationary increases
 - an increase of £210k in Management costs
 - an increase of £71k in special services costs
 - an increase of £130k in Rents, Rates, Taxes and other charges
 - depreciation calculated at £141k higher than anticipated when the budget was set
 - a net decrease of £61k in interest costs
 - a reduction in the requirement to provide for bad debts of £347k. This follows a review of the calculation this year
- c) a decrease in the revenue contribution to the Capital Programme (£6k)

2.1.9 The HRA Business Plan is based on a policy of maintaining a minimum level of HRA Working Balance at £1.831m. This is deemed to be a prudent level of reserve to ensure that the HRA remains sustainable in the event of any unforeseen risk arising. For 2023/24 and 2024/25, the following table shows that the HRA Working Balance will remain above the minimum level.

2.1.10 The forecast balances on the HRA and Reserves are as follows:

	HRA Working Balance	Major Repairs Reserve (MRR)
	£'000	£'000
Balance at 1.4.23	3,993	10,291
Surplus/(Deficit)	(469)	
Depreciation		5,585
Expenditure Financed from MRR		(6,665)
Estimated Balance 31.3.24	3,524	9,211
Surplus/(Deficit)	(629)	
Depreciation		6,021
Expenditure Financed from MRR		(8,720)
Estimated Balance 31.3.25	2,895	6,512

Note 1: The balance on the MRR at 1.4.23 shown above includes an £86k balance on the Leaseholder Major Works Reserve.

Note 2: The Major Repairs Reserve is used to fund improvements to the Council's HRA assets.

2.2 Rent Levels for 2024/25

2.2.1 The Council has been following the Government's guidance for rents for social housing since December 2001. This has been subject to various legislative changes in recent years and, in 2024/25, rents can be increased by no more than 7.7%. (being 6.7% Consumer Prices Index (CPI) at 30th September 2023 + 1%). The proposal to increase rents by the maximum 7.7% is based on maintaining a sustainable (affordable) HRA Business Plan. It is proposed that Supported Housing and Shared Ownership properties rents are increased by the same percentage. The average weekly social rent will be £110.92 and average affordable weekly rent will be £197.83.

2.2.2 In addition to the above proposed rent increase, the Council also has flexibility to increase rents by 5% above target rent at the point that a property is relet. This will only affect new tenancies and not current tenants in their current homes. According to the Government, a Council should ensure that there is a clear rationale for applying the flexibility which takes into account local circumstances and affordability. Although sustainable in the long term, the Lewes HRA Business Plan remains constrained and recent benchmarking has shown that its rents are relatively low when compared to other authorities. The average weekly social rent for 2023/24 (£102.99) is also significantly lower than the average weekly Local Housing Allowance (LHA) Rate (£205.67) and the average market rent (£312.00). Implementing this policy will increase rental income by some £19k in a part year, rising to £38k in a full year. Whilst these figures are not large in the context of the

HRA Business Plan, over time income will build and allow more to be spent on repairs and services.

2.3 Service Charges

2.3.1 The service charges for 2024/25 have been calculated using a combination of actual costs from 2022/23 and estimates where more appropriate for 2024/25. For properties that share services, these charges cover common services such as communal heating, lighting, equipment maintenance contracts, cleaning, and grounds maintenance. In Retirement Housing Accommodation, the charges additionally include Retirement Housing Advisers' staff costs. These costs should be charged separately from the rent in those properties to which they apply.

It should be noted that, in a year when inflation is particularly high, full cost recovery could mean that some service charge increases could prove challenging (in particular energy charges). Homes First will review the level of these charges and offer support where possible to mitigate the impact on individual tenants.

2.3.2 **The Communal Service Charges** recover the cost of communal services provided to non-sheltered flats. The various services provided include grounds maintenance, maintenance of lifts, cleaning, door entry & alarm systems, TV aerials, laundry services and communal lighting.

The estimated average service charge for 2024/25 is £5.99 per week (2023/24: £5.70) ranging between £0.97 and £21.50 (2023/24: £0.96 and £22.30). The communal element of the service charge is eligible for housing benefit and Universal Credit.

2.3.3 **The Homeless Accommodation Service Charge:** The service charge relates to the services provided at homelessness accommodation held within the Housing Revenue Account.

The Homeless Accommodation Service Charge for 2024/25 has been set to achieve full cost recovery. The communal element of the service charge is eligible for housing benefit and Universal Credit.

2.3.4 **Support Charge for Sheltered Housing:** Following the withdrawal of East Sussex County Council from the Supporting People scheme, the Council introduced, from May 2016, a redesigned Support Scheme for tenants in sheltered accommodation.

The estimated average service charge for 2024/25 is £3.68 per week (2023/24: £3.03). The service charge has been updated to reflect the 2024/25 budget to achieve full cost recovery. This service charge is not eligible for housing benefit.

2.3.5 **Sheltered Accommodation Service Charge:** The service charge has been updated to reflect the 2024/25 budget to achieve full cost recovery.

The estimated average service charge is £36.85 per week (2023/24: £29.51). The communal elements of the service charges are eligible for housing benefit and Universal Credit.

2.3.6 All other service charges have been updated to reflect the 2022/23 actuals and achieve full cost recovery. This includes charges for digital television reception, residual lifeline services and domestic cookers provided at certain properties.

2.4 Garage Rents

2.4.1 It is recommended that garage rents increase by 6.7%, in line with CPI at 30th September 2023.

2.5 Capital Programme

2.5.1 The Capital Programme set out in Appendix 2 reflects the proposals contained within the HRA 30-Year Business Plan. Total budgeted expenditure for 2024/25 is £17.023m.

2.5.2 The 2024/25 budget for the major works element of the programme has been set at £8.279m. From 2023/24, the ongoing Major Works Programme has been increased from a base £4.5m per annum to £6.0m per annum for 30 years to allow an additional £1.5m per annum to be spent on larger improvements to Council homes. This level of investment is affordable within the context of the HRA Business Plan and will allow Lewes' housing stock to be appropriately maintained. It should be noted, however, that, although affordable and helping to maintain stock at a higher investment level, the sums included may still fall short of works required long-term, as identified in the Stock Condition Survey.

2.5.3 The budget has also been increased to allow for the acceleration of improvements to energy efficiency in the stock in 2024/25 (and 2025/26). Sustainability is and will continue to be a key driver in developing capital repairs schemes and, to this end, officers are currently taking the opportunity to bid for Government grant to match fund this proposed increase in the Capital Programme.

2.5.4 An annual allocation of £441k for disabled adaptations and £53k for recreation and play areas are added to the programme, since these would not be included in stock survey figures.

2.5.5 Funding for the major works programme comes from the Major Repairs Reserve.

2.5.6 The Capital Programme continues to include sums for the acquisition of properties and new builds. In the case of acquisition, each proposed acquisition will be modelled to ensure "viability" (that the annual costs associated with the purchase and upkeep of the property will not exceed the rental income). New build schemes either have been brought or will need to be brought to Cabinet for individual approval. The reports will include an analysis of the effects on the Business Plan.

3 Outcome Expected and Performance Management

3.1 The HRA budget will be monitored regularly during 2024/25 and performance will be reported to Cabinet quarterly.

3.2 The Council is obliged to ensure that all tenants are given 28 days' notice of any changes to their tenancy including changes to the rent they pay.

4 Consultation

- 4.1 The Tenants of Lewes District (TOLD) have been consulted on this report. The proposed rent increase for 2024/25 reflects the requirements under The Direction on the Rent Standard 2019 and the Policy Statement on Rents for Social Housing December 2022.
- 4.2 It should be noted that the Council recognises that the continuing cost of living challenges mean that the rent increase and other increases in charges proposed in this report may create further issues for some of our tenants. A range of help and advice is available, and information can be obtained via the Council's website or by contacting Homes First.
- 4.3 This year, the Council has worked closely with TOLD to increase the level of Major Works expenditure made available to improve HRA homes. The additional expenditure will be funded from the Major Repairs Reserve.

5 Corporate Plan and Council Policies

- 5.1 The Reimagining Lewes District Corporate Plan 2020-2024 sets out clear priorities for housing, specifically:
- Decarbonising the housing stock
 - Delivering new homes
 - Opening up access to more housing options
 - Increasing the number of accessible homes
- 5.2 The new Corporate Plan - *Re-imagining Lewes District: Delivering the Vision 2024-2028* – is being developed for approval by Cabinet in February 2024. The plan will continue to have a focus and emphasis on housing, increasing the number of new homes directly delivered to meet growing local need in addition to the continued investment into the existing social housing stock, increasing sustainability and energy efficiency for the direct benefit of residents.
- 5.3 The proposals contained within this report flow directly from the HRA 30-Year Business Plan, which itself aligns with the Corporate Plan. Key (current and future) Council policies, plans, and strategies will all be aligned to help deliver the objectives and goals of the HRA 30-Year Business Plan.

6 Business Case and Alternative Option(s) Considered

- 6.1 The capital and revenue budgets, rents and service charges have been set in line with Government policy and with the HRA 30-Year Business Plan.

7 Financial Appraisal

- 7.1 This is included in the main body of the report.

8 Legal Implications

- 8.1 Local housing authorities are required by section 74 of the Local Government and Housing Act 1989 to keep a Housing Revenue Account (HRA) unless the Secretary of State has consented to their not doing so. The account must show credits and debits arising from the authorities' activities as landlord. The HRA identifies the major elements of housing revenue expenditure, such as maintenance, administration and contributions to capital costs, and how they are funded by rents and other income.
- 8.2 Section 76 of the 1989 Act requires HRA budgets to be set on an annual basis in January or February before the start of the financial year. A local authority may not budget for an overall deficit on the HRA and all reasonable steps must be taken to avoid a deficit.
- 8.3 Section 24 of the Housing Act 1985 gives local authorities the power to make reasonable charges for the tenancy or occupation of dwellings. Rent setting must be seen in the context of the statutory duty to set a balanced HRA budget.
- 8.4 Under the Local Authorities (Functions and Responsibilities) Regulations 2000, the task of formulating a plan for determining the Council's minimum revenue provision (i.e. its budget) is the responsibility of Cabinet, whilst the approval or adoption of that plan is the responsibility of the full Council. This explains the decision-making route in the officer's recommendation.

Date of legal input: 06.12.23

Legal ref: 012594-JOINT-KS

9 Risk Management Implications

- 9.1 The 2023/24 Budget and Capital Programme will require close monitoring in the forthcoming year to ensure that they, and therefore the 30-Year HRA Business Plan, remain on track. Any large variances to expenditure or income will need to be reviewed and, if significant or ongoing, modelled into the Business Plan to assess the impact and likely mitigation.
- 9.2 Levels of voids and debts will also require close monitoring to ensure that rent and service charge increases are not causing greater levels of non-payment. Timely action will need to be taken if performance targets are not being met.

10 Equality Analysis

- 10.1 An Equality and Fairness Analysis has been undertaken on these proposals. This has concluded that:
- Changes to charges will impact the protected groups of age and disability. Additionally, those experiencing homelessness and potentially carers may be impacted.
 - Communication around any change to charges must be clear and timely and contain information on how concerns may be channelled. Concerned residents (or their carers) should have a clear avenue to raise concerns or

receive further information. Alternative formats should be arranged upon request.

- The cost of living crisis has impacted many residents across the board. Not only people of working age but anyone all with limited funds who have been trying to manage the increase in price of food and energy. The Councils have funded local support initiatives including enhanced advice provision. The Councils will continue to maintain the website and Customer Advisor resources to support residents with any queries and concerns they may have relating to the cost of living crisis.

11 Sustainability Implications

- 11.1 The HRA Capital Programme shown at Appendix 2 includes £5.691m split equally over 2024/25 and 2025/26 to improve the energy efficiency of our stock. It is assumed that 50% of this will be paid for by Government (£2.845m), as a capital grant, in 2025/26. Officers are currently preparing the bidding documents in order to secure the grant and will be notified if the bid is successful in late February/early March 2024. The aim of this bid is to provide warmer homes and reduce bills for tenants and residents, whilst also reducing the Council's carbon footprint. The scheme will help Lewes District Council move towards meeting its target of achieving zero carbon emissions and full climate resilience by 2030. However, we need to be successful in securing funding in order to deliver the full project.

12 Appendices

- Appendix 1 - HRA 2023/24 Revised Revenue Budget and 2024/25 Budget
- Appendix 2 - HRA Capital Programme 2023/24-2027/28

13 Background Papers

- Government's Policy Statement on Rents for Social Housing (December 2022) [Policy statement on rents for social housing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policy-statements/2022/12/policy-statement-on-rents-for-social-housing)

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HOUSING REVENUE ACCOUNT

2023-24			2024-25
Original Budget £' 000	Revised Budget £'000		BUDGET £' 000
		INCOME	
(17,003)	(17,047)	Dwelling Rents	(18,914)
(391)	(391)	Non-Dwelling Rents	(417)
(1,386)	(1,386)	Charges for Services and Facilities	(1,479)
(210)	(210)	Contributions towards Expenditure	(224)
(18,990)	(19,034)	GROSS INCOME	(21,034)
5,488	5,804	Repairs and Maintenance	6,155
3,740	3,962	Supervision and Management	3,882
1,579	1,650	Special Services	1,743
157	287	Rents, Rates, Taxes and Other Charges	146
157	(190)	Increase in Impairment of Debtors	58
5,442	5,583	Depreciation of Fixed Assets	6,018
3	3	Amortisation of Intangible Assets	3
10	10	Debt Management Costs	10
16,576	17,109	GROSS EXPENDITURE	18,015
(2,414)	(1,925)	NET COST OF HRA SERVICES	(3,019)
140	128	HRA share of Corporate and Democratic Core	134
(2,274)	(1,797)	NET OPERATING COST OF HRA	(2,885)
		Capital Financing and Interest Charges	
2,376	2,970	Interest Payable	2,954
(143)	(798)	Interest Receivable	(548)
2,233	2,172	Total Capital Financing and Interest Charges	2,406
100	94	Revenue Contribution to Capital Expenditure	1,108
59	469	HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	629
		HOUSING REVENUE ACCOUNT WORKING BALANCE	
(3,311)	(3,993)	Working Balance at 1 April	(3,524)
59	469	(Surplus) or Deficit for the Year	629
(3,252)	(3,524)	Working Balance at 31 March	(2,895)

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HRA CAPITAL PROGRAMME 2023/24 to 2027/28

Expenditure	Original Programme 2023/24 £000	Projected Programme 2023/24 £000	Proposed Programme 2024/25 £000	Proposed Programme 2025/26 £000	Proposed Programme 2026/27 £000	Proposed Programme 2027/28 £000
HRA HOUSING INVESTMENT CAPITAL PROGRAMME						
Acquisition and Construction of New Dwellings	11,501	12,444	8,200	27,017	28,966	20,102
Lifeline Upgrade	-	-	50	-	-	-
Improvements to Stock (Stock Condition Survey)	4,500	6,200	8,279	8,439	6,589	6,687
Improvements to Stock (Non-Stock Condition Survey)	415	415	441	452	461	470
Housing Estates Recreation and Play Areas	50	50	53	54	55	56
Total HRA Capital Programme	16,466	19,109	17,023	35,962	36,071	27,315

Funding Availability	Original Programme 2023/24 £	Projected Programme 2023/24 £	Proposed Programme 2024/25 £	Proposed Programme 2025/26 £	Proposed Programme 2026/27 £	Proposed Programme 2027/28 £
HRA						
Capital Receipts	4,818	9,697	7,195	1,953	3,902	2,320
Capital Grants	1,935	2,653	-	6,120	1,450	4,438
Major Repairs Reserve	4,965	6,665	8,720	6,045	7,051	7,157
Revenue Contributions	100	94	1,108	757	136	349
Borrowing Need	4,648	-	-	21,087	23,532	13,051
Total HRA	16,466	19,109	17,023	35,962	36,071	27,315

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Report to:	Cabinet
Date:	1 February 2024
Title:	Reimagining Lewes District: Delivering the Vision 2024 – 2028
Report of:	Robert Cottrill, Chief Executive
Cabinet member:	Councillor Zoe Nicholson, Leader of the Council and Cabinet Member for Finance, Assets and Community Wealth Building
Ward(s):	All
Purpose of report:	For Cabinet to consider and recommend the draft plan to Full Council for adoption
Decision type:	Key
Officer recommendation(s):	(1) To consider the ‘Reimagining Lewes District: Delivering the Vision 2024 – 2028’ plan, (2) That any final minor amendments arising from the consultation responses be delegated for amendment to the Chief Executive, in consultation with the Leader, and (3) That full council adopt the plan as its overarching corporate policy document for the next 4 years.
Reasons for recommendations:	To enable the Council to set out its strategic vision, objectives and priority projects for the next four years and provide a firm basis for forward planning and performance management.
Contact Officer(s):	Name: Jo Harper Post title: Head of Business Planning and Performance E-mail: jo.harper@lewes-eastbourne.gov.uk Telephone number: 07925 893201

1 Introduction

- 1.1 The plan attached at appendix 1, ‘Reimagining Lewes District: Delivering the Vision 2024 – 2028’, has been developed to encapsulate the council’s strategic vision, objectives and priorities for the next four years. This Plan is a key document for the council and builds on the previous plan covering the 2020 – 2024 period.

1.2 It sets out the council's commitments to its residents and businesses for the next four years. It also outlines a programme of strategic objectives, and the projects that will be delivered in the district. It is important to bear in mind that the next four year's priorities are set against an uncertain and challenging financial backdrop which requires the council to make the best possible use of its limited resources.

2 Development of the Plan

2.1 In order to ensure full and wide engagement in the development of this plan, an early draft was developed in the summer of 2023. This was subject to extensive debate and consideration by staff and members, ahead of a formal public consultation period in December 2023.

2.2 The key themes build on similar priorities of the previous four year plan, as the Collaborative Alliance continues to deliver its objectives of;

- Delivering high quality, responsive services to local people
- Supporting local people through challenging times
- Providing leadership in tackling the climate and nature emergencies
- Creating sustainable community wealth
- Building genuinely affordable homes

3 Outcome expected and performance management

3.1 The plan provides the authority with a robust framework within which to monitor and assess performance and achievements. Progress against key performance measures will be reported to members on a quarterly basis, as part of normal performance management arrangements (through both the Policy and Performance Advisory Committee and Cabinet). In addition, progress against the plan in its entirety will be reported annually.

4 Consultation

4.1 The formal consultation undertaken from 1 – 31 December 2023 provided the opportunity for the public, local businesses, key partners and stakeholders as well as members and staff, to give their views on the draft plan. Attached at appendix 2 is a summary of the consultation findings.

4.2 There was, overall, strong support for the plan and the proposed strategic direction it sets out. Various suggestions and requests for clarification were made in the responses received. However, it is not felt that these amount to any significant changes being required. It is recommended, therefore, that the Chief Executive and Leader be given delegated authority to make any necessary minor amendment ahead of consideration by full council later in February.

5 Corporate plan and council policies

5.1 As the key strategic document for the council, 'Reimagining Lewes District: Delivering the Vision 2024 – 2028' will be the council's corporate plan for the

next four years. Other plans and strategies developed during this period will need to demonstrate their alignment with this document.

6 Financial appraisal

- 6.1 The financial aspects of all projects and actions as set out within Appendix 1 , 'Reimagining Lewes District: Delivering the Vision 2024 – 2028' will be included within the approved budget for 2024/25 and the Medium-Term Financial Strategy, or (in the case of new initiatives which may still be at an early planning stage) will be subject to future reports to, and approval by, Cabinet.

7 Legal implications

- 7.1 Cabinet is asked to recommend the plan to Full Council as Full Council is the appropriate body to make the decision. This is because the plan is part of the policy framework that is required to be adopted by the Council.

012631-JOINT-KS 2nd January 2024

8 Risk management implications

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

9 Equality analysis

- 9.1 Equality Analyses are being undertaken in relation to the individual projects which make up this Council-wide Plan, and therefore it has not been considered necessary to undertake an overarching analysis of the Plan as a whole. Analyses for the individual projects will be informed by the results of the consultation and ensuing feedback from residents. It should be noted that the section of the plan entitled 'Delivering high quality, responsive services to local people' focuses particularly on the cost of living crisis and how the council is continuing to respond to the challenges faced by local people.

10 Environmental sustainability implications

- 10.1 Sustainability implications will be considered for each individual project within the plan. As per para 2.2 above, sustainability will continue to be a prime consideration throughout all areas of the council's work.

11 Contribution to Community Wealth Building

- 11.1 Community wealth building forms an integral part of this plan, being one of the five key priorities as set out at para 2.2 above.

12 Appendices

- Appendix 1 - Reimagining Lewes District: Delivering the Vision 2024 – 2028
- Appendix 2 – summary of consultation findings

13 Background papers

- [Previous plan for 2020 - 2024](#)



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Re-imagining Lewes District:

Delivering the Vision 2024 → 2028



Introduction from the Leader, Councillor Zoe Nicholson

Our corporate plan reflects what our residents told us is important. It means the work the council is doing in local communities, is the work residents asked us to do.

We have five key areas to focus on over the next four years and in the following pages you can read about the action we are taking and how success will be measured.

We know that providing good quality frontline council services is so important to our residents and visitors to the district. Councils don't receive government funding for these services anymore, so it doesn't get any easier, but we've made big improvements in our customer service, not least in the way we engage with people online and through the council website.

Top of our list is also continuing to support people who are struggling with the cost of living crisis. We know the most vulnerable people in the district live day to day, often unable to pay their bills, afford the most basic items and worrying about keeping a roof over their heads. During the pandemic we learned a lot about helping people in this situation and I'm most grateful to local charities, voluntary organisations and other council partners for the vital role they play too.

We will also be doubling down on our efforts to tackle the climate and nature emergencies. We have a wide ranging and exciting programme of work ahead of us. The challenge is considerable, but we are making good progress and have a long list of brilliant partners that share our determination to deliver the change that is needed.

Building our Communities wealth and wellbeing is really important and we know it's making a big difference. It's basically about how we prioritise the local economy in our buying decisions. We want to keep the 'council pound' in the Lewes district, helping local businesses to keep employing local residents. And we want our partners in the district to adopt the same approach.

Providing decent, warm and affordable homes is a top priority for so many. We need more social and affordable homes in the right place and built to high standards, including energy efficiency and climate resilience. Since 2019 we've been bucking the trend by building council homes, but we need more of them that local people can afford. Our four-year target is 500 new affordable and council homes.

In addition to all the above, we will continue to provide good quality frontline council services to our residents and visitors to the district. Councils don't receive government funding for these services anymore, so it doesn't get any easier, but we've made big improvements in our customer service, not least in the way we engage with people online and through the council website.





In partnership with you, over the next 4 years we are focusing on:

- ① Delivering high quality, responsive services to local people**
- ② Supporting local people through challenging times**
- ③ Providing leadership in tackling the climate and nature emergencies**
- ④ Creating sustainable community wealth**
- ⑤ Building genuinely affordable homes**

Here we are setting out our target ambitions for the coming four years. Detailed work programmes will be developed, showing how we will deliver on these ambitions.

1

*High quality,
responsive
services*

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Making sure we listen, respond and consistently provide good customer service

Providing excellent customer service and focusing on resolving questions and problems first time is central to how this council operates. We will continue to ensure that our services meet our residents' needs and strive to deliver consistently high quality and responsive services.

↓ **Key Areas**



We will:

- Improve the quality of customer experience by offering a wider range of access routes to our services, including more on-line and self-service options to allow 24/7 access, alongside face to face and phone options.
- Providing face to face and telephone services which support those in need, working in collaboration with others such as town councils and Citizens Advice in key locations across the district.
- Identify and address inequality in our communities in order to promote fairness, equitable services and a commitment to uphold these principles throughout our work.
- Maximise use of technology to be able to identify and target those in most need, to ensure they get access to the support services to which they are entitled.
- Get our communication and engagement right through regular information sharing and consultation.
- Respect our communities and engage meaningfully with local people to nurture strong relations.
- Continue to embed a culture of continuous improvement, where we constantly re-evaluate our quality of service.
- Support local communities in maintaining up to date Neighbourhood Plans.



4 year goals:

1. Delivery of consistently high customer service standards
2. Listening and responding to the needs of local residents through good quality consultation and engagement
3. Providing a range of ways to get in touch that meet different residents' needs, particularly those with disabilities or experiencing disadvantage
4. Increased proactive and responsive neighbourhood and partnership services
5. Increased resident and business involvement in neighbourhood services (e.g. litter picking)
6. Reduction in levels of non-recyclable household waste

2

Support through challenging times

The Council's role in addressing hardship

The council has an important role in supporting those in most need in society. Since the pandemic, and the economic challenges that followed it nationally, we have been working hard in particular to support people experiencing hardship due to the cost of living crisis. This work will continue, especially whilst the national economic situation continues to be difficult. We are taking a holistic approach to this, working across all departments in the council.

Key Areas



We will:

- Maintain our new support regime of 100% council tax reduction for those most in need, whilst reviewing the level of council tax required for second homes and vacant properties.
- Give support to local voluntary organisations assisting those worst affected by the cost of living crisis, and build strong relationships with our voluntary sector partners to ensure joined up support (including benefits advice, assistance with form filling, sign-posting etc).
- Support those on lowest incomes through housing benefit, council tax reduction and other assistance schemes, providing local delivery of national schemes as these arise.
- Assist residents to maximise the welfare benefits they are entitled to and remove barriers (such as digital exclusion or lack of understanding) to ensure people are able to take up their entitlements.
- Provide the right advice to residents at the right time, ensuring information and advice is available to those needing extra support, to let them know what is available and how it can be accessed.
- Provide additional support to businesses where national schemes are administered locally.
- Identify and address inequality in our communities and uphold a commitment to the principle of fairness throughout our work.
- Using available data and technology, to help identify those most at risk of falling into debt and who require welfare support, so that targeted offers of support can be provided.
- Make use of the council's extensive communications channels (including District News, email services, social media and conventional media) to inform residents of the range of support available.
- Make advice and services easily available, whether through 24-7 self service channels or by providing direct support those those unable to self-serve.

4 year goals:

1. **Reduced levels of inequality experienced in the district**
2. **Increased uptake of benefits and assistance schemes provided by the council**
3. **Increased uptake of business support**



3

Climate, nature and food systems



A net zero carbon and climate resilient council and district by 2030

Tackling the climate crisis and nature emergencies is central to all our activities. We are committed to supporting measures to help arrest biodiversity losses, restore habitats and work for climate resilience to promote healthy and thriving communities. We will continue our journey to reduce carbon emissions and aim to become a fully climate-resilient council by 2030. We will prepare a climate and nature action plan for a net zero carbon district. Meaningful nature-based solutions and adaptation measures are at the heart of these ambitions.

We will also provide leadership in areas outside of the council's direct control, working with our partners, so that we can make a real difference to our local communities and to the planet. Our key partners include the Environment Agency, Ouse Valley Climate Action, Town & Parish Councils, East Sussex County Council, Transition Town Lewes, The Living Coast (UNESCO Biosphere), Changing Chalk, South Downs National Park Authority, The Railway Land Wildlife Trust, Sussex Nature Partnership, Sussex Wildlife Trust, Ouse & Adur River Trust, Ouse Sussex Flow, Sussex Biodiversity Records Centre, Natural England, Sussex-air and a wide variety of local volunteer groups.

Key Areas

We will:

- Refresh, with our partners and residents, our climate and nature action plan, clearly setting out our aspirations and how they will be measured.
- Engage the community energy sector and others in the shift to low or zero carbon electricity generation, and directly invest in local renewable energy schemes and providers where opportunities arise.
- Improve the energy efficiency of homes including by supporting low-carbon heating technologies in our own council houses, whilst also supporting homeowners and private renters.
- Work with partners to deliver nature-based solutions to achieve connection between natural environments (ecological connectivity), improved biodiversity and climate resilience in our local landscape.
- Deliver a programme of nature restoration including second high profile rivers and nature restoration project, following the Cockshut Stream restoration.
- Increase biodiversity, wildflower and pollinator opportunities through managing grass cutting regimes and planting schemes on council land.
- Consolidate our focus on our rivers, seas and water quality. Prioritise efforts with partners to manage the risks posed by flooding, support the Environment Agency and other partners to address coastal erosion and explore a 'rights of rivers' approach with partners Love our Ouse.
- Build, and encourage the development of, housing which is affordable, energy efficient, climate resilient, adaptable and locally sourced, and utilise the Modular Housing Framework to increase the use of Modern Methods of Construction (MMC) in the delivery of new council homes.
- Monitor, and work with partners to improve, air quality in the district, focusing in particular on nitrogen dioxide and particulate levels, making use of air quality action plans for relevant areas.
- Work in partnership towards more sustainable food systems in the region.
- Deliver a new local plan with the greenest possible policies at its centre, including building on existing successes in delivering Biodiversity Net Gain and aim for higher levels of delivery in future, ahead of national guidance on this area.
- Work in partnership on opportunities arising from the Seaford to Eastbourne Nature Recovery Project, launched in summer 2023 by Defra and Natural England'.
- Move our waste and recycling vehicles to lower emission alternatives.
- Encourage lower emission travel across the district by increased access to Electric Vehicle charging, car share schemes and car clubs.
- Increase opportunities for public transport, cycling and walking in the district by working with partners such as community cycling groups, East Sussex County Council, Ouse Valley Climate Action and others to improve infrastructure and reduce barriers to accessible, low carbon active travel between and within our towns and villages.
- Work with residents and local towns and parishes to increase residents' separation of food and garden waste from 'residual' household waste, increasing the amount of high-quality compost created by our partners.
- Achieve waste reduction overall by encouraging a 'Refuse, Reduce, Reuse, Recycle' approach that is collaborative with the community.
- Create opportunities to reduce littering and improve the public realm in collaboration with local and national partners
- Continue to utilise the Clear Futures Joint Venture Partnership and Framework to support sustainable and transformational change.

4 year goals:

1. The indicators in the refreshed Climate and Nature Action Plan
2. Reduction in council carbon emissions to be net zero by 2030
3. Reduction in direct fossil fuel use
4. Increase the level of biodiversity net gain delivered.



4

Community Wealth and Wellbeing

A great place to live and work

For the last 4 years the council has embraced a community wealth building approach to its work. This is about ensuring that local people and the local economy are placed at the centre of how the council operates, and how we work with our partners.

We will continue to work with key local institutions including our county council, local businesses, police and NHS partners (anchor institutions) to change procurement practices to focus on local providers where possible. We aim to provide more local employment through all of our activities. We will support the development of social enterprises and identify where additional social value can be achieved in local communities.

Key Areas



We will:

- Support our local economies, including the rural economy, by procuring from local suppliers, and encouraging other local partners to do the same.
- Work with suppliers to maximise what additional social value benefits can be gained when contracts are delivered for the council, in line with the council's Social Value Charter, and develop a sustainability and social value procurement framework.
- Complete the Pathfinder Pilot regeneration projects in Newhaven, funded with support from central government where a community wealth approach is central.
- Increase local employment opportunities by actively recruiting locally through a range of media (including social media), and by committing ourselves and our partners to paying the real living wage where possible.
- Embed circular economy principles to enable reuse of materials and sustainable management of resources throughout the council's work.
- Use our land and assets, and partners' public land and assets, to benefit the local community and businesses.
- Support the local voluntary and community sector to help ensure its ongoing strength and vitality, using our revolving loans scheme to enable community led groups to further develop and flourish.
- Develop green and renewable job training opportunities for local people by working with education and training partners. The new Local Plan will provide a vehicle to promote training and employment opportunities in local labour agreements, when agreeing to new commercial developments.
- Find ways to enable more of the district's money to stay within the district, directly benefiting residents and local companies.
- Support and enable plural ownership through worker and consumer cooperatives and social enterprises, looking to achieve joint council and social enterprise ownership where appropriate.
- Enable local social enterprises to develop and thrive, supported by our Lewes District Start-up Programme
- Work to reduce deprivation in the district through our regeneration activities, in partnership with other anchor institutions.
- Encourage local town and parish councils to work actively with us to further develop a community wealth building approach across the area.
- Encourage a thriving visitor economy, based on our natural, cultural and heritage assets, which supports and nurtures our local economy and environment through collaborative initiatives and events.
- Invest in children's and families' positive experience of the outdoors, with attractive activity spaces, seats, including picnic tables and fun play equipment.
- Work to reduce vandalism and antisocial behaviour in our public conveniences, whilst providing more fully accessible Changing Places and finding ways to reduce the environmental impact of our toilets.
- Ensure robust and effective ways of dealing with littering and fly-tipping, including through our 'Educate Remind Enforce' campaign.
- Promote community wellbeing by supporting active enjoyment of our countryside and environment as well as valuing and promoting our local sporting and leisure activities and facilities.

4 year goals:

1. Improvement in Thriving Places Index Score (www.thrivingplacesindex.org/)
2. Increase in proportion of procurement spend going to local companies.
3. Increase in social value achieved through council contracts.
4. Better cared for and more accessible public spaces.
5. More local job opportunities in renewable and green technologies.



5

Delivering Homes



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

The home in which we live has a huge impact on our quality of life and our health. Access to safe and secure housing, that local people can afford, is fundamental to supporting wellbeing and enabling our communities to thrive.

Working with partners we will support, promote and enable the delivery of housing for local people to buy and rent, including through community land trusts and other relevant community groups. We will seek to rebalance our local housing markets and help build sustainable communities.

We will deliver and maintain affordable, high-quality homes. We will do this in partnership with TOLD (Tenants of Lewes District). Alongside providing council housing, we will support people to access other social housing and private rented accommodation, particularly supporting those who are at risk of homelessness. Using our planning policies we will work to ensure provision of the right homes in the right places for local people.

Key Areas

We will:

- Enable the delivery of an additional 300 new affordable homes, across the district, alongside 200 new council houses.
- Support the provision of social, affordable, sustainable, energy and resource efficient, climate resilient housing, delivering for our tenants and residents more effectively.
- Build more rented council homes in the district, including using innovative approaches such as modular housing.
- Provide the broadest possible range of accessible housing to meet the diverse needs of the community.
- Explore opportunities to work with public sector partners to identify land suitable for housing development, where social rents could be achieved.
- Use our planning system to support the provision of truly affordable housing, narrowing the inequality that exists whilst delivering for our tenants and residents even more effectively.
- Implement a system of revolving loans to enable Community Land Trusts to develop affordable housing in the area.
- Reduce the reliance on temporary and emergency accommodation, improve prevention measures for those experiencing homelessness and deliver more appropriate accommodation.
- Support independent living, including providing accessible housing for those with physical and additional support needs, and work with partners on health, housing and care strategies that enable supported living.

- Ensure residents have equal access to housing services across the district and have a strong voice in how their homes and communities are managed.
- Prioritise regulatory and legislative compliance to ensure the council owned homes remain at a high standard, including improving responsiveness on repairs and maintenance, retrofitting, making them cheaper to heat and improving shared and amenity space.
- Ensure that when new housing is being delivered, the developers minimise waste and avoid removing material from the development site where possible.
- Support the provision of new infrastructure and community facilities close to locations where new housing developments are taking place.
- Ensure new council built homes are as sustainable as possible.



4 year goals:

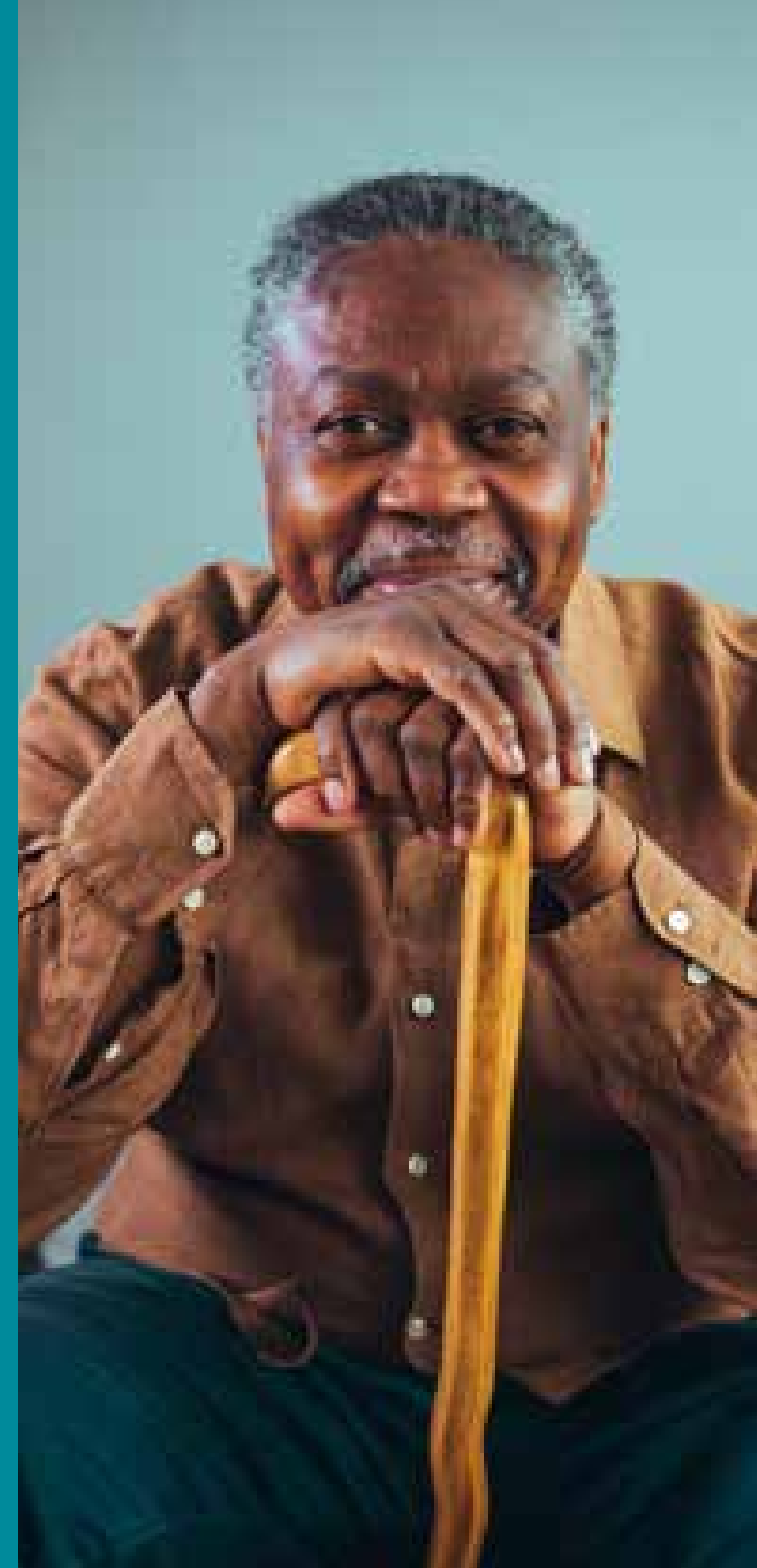
1. Enabling the delivery of 300 new affordable homes.
2. Delivering 200 additional council houses.
3. Directly deliver more council housing for rent.
4. More sustainable and energy efficient homes across the district.
5. Accessible housing for those with additional support needs.



How we will work with you

In working with local people and partners, we are committed to:

- Putting residents first in decision-making.
- Being open and transparent, including following principles of open governance.
- Having a collaborative culture which involves local people and stakeholders from an early stage and directly involves them in delivering solutions.
- Taking a preventative approach to how we address local issues and concerns, investing to tackle problems early.
- Ensuring equality and diversity principles are core to all we do.
- Ensuring the wellbeing of our staff, prioritising their physical and mental health.
- Having a workforce and culture that reflect the diversity of the local community and providing diversity training for our staff.



Lewes District Council Corporate Plan consultation report

Consultation report | January 2024

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Background

From Thursday 30 November to Sunday 31 December 2023, Lewes District Council carried out a public consultation over its draft corporate plan, 'Re-imagining Lewes District - Delivering the Vision - 2024 to 2028'.

We invited comments and feedback on the proposed priorities of the draft plan from residents, businesses, partners and other stakeholders. We also asked respondents if they had any suggestions for additions to the plan.

The sections of the draft plan:

- Delivering high quality, responsive services to local people
- Continuing to support local people through challenging times
- Providing leadership to the district in tackling the climate and nature emergency
- Creating sustainable community wealth
- Building genuinely affordable homes

We also asked for comments on about a section of the plan detailing how the council proposes to work with people and partners.

How we consulted

We published a page on the Lewes District Council website, providing the draft plan to download and an online survey asking questions about each section of the plan.

We made the consultation information available in other languages and formats, including hard copy on request.

We promoted the consultation through the news section of the council website, an email to our 20,000 news and consultation email alert subscribers.

We promoted the consultation repeatedly through promotional videos on the council's social media channels and emailed key partners and stakeholders directly with an invitation to respond to the consultation.

We also signposted to the consultation from a site-wide message on every page of the council website.

Summary of responses

1. In what capacity are you responding to this consultation?

Answer Choices	Response Percent	Response Total
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1. In what capacity are you responding to this consultation?

1	A resident of Lewes district		86.07%	105
2	As a tenant or leaseholder of Lewes District Council		1.64%	2
3	A visitor to Lewes district		0.00%	0
4	Someone who works in Lewes district but doesn't live here		0.82%	1
5	A business operating in the district		0.82%	1
6	An organisation or group (please specify below)		8.20%	12
7	Other (please specify):		2.46%	3
			answered	122
			skipped	0

Organisations responding:

- Lewes Priory Cricket Club
- Southeast Communities Rail Partnership
- Lewes Swift Supporters
- South Highton Parish Council
- Lewes District Citizens' Advice x 2
- Environmental Law Foundation supporting Love Our Ouse
- Werks Collaborations Ltd
- Plumpton Parish Council
- Ringmer Parish Council
- Railfuture Ltd - London & South East Regional Branch
- Cycle Lewes
- Sussex Police

2. Where in Lewes district do you live?

Answer Choices		Response Percent	Response Total
1	Lewes (town)	20.54%	23

2. Where in Lewes district do you live?

2	Newhaven		8.93%	10
3	Peacehaven		8.04%	9
4	Telscombe Cliffs		0.00%	0
5	Saltdean		1.79%	2
6	Seaford		25.89%	29
7	Barcombe		1.79%	2
8	Bishopstone		0.89%	1
9	Chailey		0.89%	1
10	Denton		1.79%	2
11	Ditchling		0.89%	1
12	East Chiltington		3.57%	4
13	Falmer		0.00%	0
14	Firle		0.00%	0
15	Glynde		0.00%	0
16	Hamsey		2.68%	3
17	Iford		0.00%	0
18	Kingston		1.79%	2
19	Newick		2.68%	3
20	Offham		0.00%	0
21	Piddinghoe		0.89%	1
22	Plumpton		5.36%	6
23	Ringmer		7.14%	8
24	Rodmell		0.89%	1
25	Southeast		0.00%	0
26	South Heighton		1.79%	2
27	Streat		0.00%	0
28	Tarring Neville		0.00%	0
29	Telscombe Village		0.00%	0
30	Westmeston		0.00%	0
31	Wivelsfield		0.89%	1
32	Somewhere else (please specify):		0.89%	1
			answered	112

2. Where in Lewes district do you live?

skipped	10
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Somewhere else (please specify): (1)

- Brighton

3. How much do you agree or disagree with the priority: 'Delivering high quality, responsive services to local people'?

Answer Choices		Response Percent	Response Total
1	Strongly agree	48.18%	53
2	Agree	34.55%	38
3	Neither agree or disagree	15.45%	17
4	Disagree	0.91%	1
5	Strongly disagree	0.91%	1
		answered	110
		skipped	12

Comment: (26)

Comment Themes from Individuals

- A need for more GP provision in the district.
- There is a need to maintain face-to face customer service as an option for those who need it.

Comments from organisations and groups

Access in Seaford and Newhaven Committee: The group stated that they felt an Access Officer was needed to support local access groups.

4. How much do you agree or disagree with the priority: 'Continuing to support local people through challenging times'?

Answer Choices		Response Percent	Response Total
1	Strongly agree	48.33%	58
2	Agree	30.00%	36

4. How much do you agree or disagree with the priority: 'Continuing to support local people through challenging times'?

3	Neither agree or disagree		16.67%	20
4	Disagree		2.50%	3
5	Strongly disagree		2.50%	3
			answered	120
			skipped	2

Comment: (22)

Comment Themes from Individuals

- Support is particularly important for older people or people with a disability.

Comments from organisations and groups

Lewes Priory Cricket Club: The group were supportive but felt more information could be provided about how the council could work with volunteer groups and extend its reach.

Citizens Advice: The organisation noted that the cost-of-living crisis would end in due course, but that current challenges would continue, with less government funding available. It wanted to know more about how this would be addressed.

Plumpton Parish Council: The organisation commented on the need to monitor vacant properties and make second homes liable for council tax.

Ringmer Parish Council: The organisation focused on the importance of supporting voluntary organisations to work with vulnerable people and making all new housing carbon net zero.

5. How much do you agree or disagree with the priority: 'Providing leadership to the district in tackling the climate and nature emergencies'?

Answer Choices		Response Percent	Response Total
1	Strongly agree	47.93%	58
2	Agree	24.79%	30
3	Neither agree or disagree	14.88%	18
4	Disagree	4.96%	6
5	Strongly disagree	7.44%	9

5. How much do you agree or disagree with the priority: 'Providing leadership to the district in tackling the climate and nature emergencies'?

answered	121
skipped	1

Comment: (32)

Comment Themes from Individuals

- Continue to address issues around water companies and sewage.
- A need to improve air quality.
- A need to tackle detrimental farming practices.
- Concerns around flooding and flood defences.

Comments from organisations and groups

Lewes Priory Cricket Club: The group was concerned about flooding.

Southeast Communities Rail Partnership: The group's focus was on providing more support for integrated and sustainable travel, with various specific initiatives mentioned.

Lewes Swift Supporters: The group commented that there should be reference in the plan to preservation of birds under threat, and also bats, when considering future housing development.

Citizens Advice: The organisation was concerned about the term 'leadership' and felt that engagement was a better way to achieve mindset change.

Love Our Ouse: The group commented with several helpful editorial amendments to this section of the plan.

Plumpton Parish Council: The organisation sought greater clarity regarding what is meant by protecting rivers and suggested that more resource is needed for supporting environment, ecology and water quality. More engagement with farmers was suggested. Amongst other issues, the importance of improving air quality and risks around electric vehicles were also noted.

Ringmer Parish Council: The organisation noted that all new housing should be carbon net zero, with sufficient public transport provided and more tree planting.

Cycle Lewes: The group sought more focus on reducing transport emissions and a continued focus on cycling and walking.

6. How much do you agree or disagree with the priority: 'Creating sustainable community wealth'?

Answer Choices		Response Percent	Response Total
1	Strongly agree	37.19%	45
2	Agree	33.88%	41
3	Neither agree or disagree	20.66%	25
4	Disagree	4.13%	5
5	Strongly disagree	4.13%	5
		answered	121
		skipped	1

Comment: (34)

Comment Themes from Individuals

- This should include an emphasis on self-sustainable and circular communities.
- Regenerating Newhaven

Comments from organisations and groups

Lewes District Citizens Advice: The organisation asked to see the plan include additional areas including safer roads, lower speed limits and managing antisocial behaviour and community outreach spaces. More face-to-face contact with residents was also raised, along with more preventive approaches to avoid crisis.

Plumpton Parish Council: The organisation was supportive of retaining wealth locally.

Ringmer Parish Council: The organisation was supportive of promoting local procurement.

7. How much do you agree or disagree with the priority: 'Building genuinely affordable homes'?

Answer Choices		Response Percent	Response Total
1	Strongly agree	44.26%	54
2	Agree	23.77%	29
3	Neither agree or disagree	16.39%	20
4	Disagree	7.38%	9

7. How much do you agree or disagree with the priority: 'Building genuinely affordable homes'?

5	Strongly disagree	8.20%	10
		answered	122
		skipped	0

Comment: (51)

Comment Themes from Individuals

- Green areas to be unaffected by development
- Traffic and accessibility to the towns by road
- Influence over building developers
- Effects on local services/infrastructure

Comments from organisations and groups

Lewes Priory Cricket Club: The group were supportive of the priorities.

Lewes Swift Supporters: The group were concerned about building on green field sites or flood plains.

Lewes District Citizens Advice: The organisation supported affordable housing and were concerned about the lack of this in the district.

Love Our Ouse: The group supported the emphasis on affordable housing but asked for more emphasis on a nature first approach as part of this.

Plumpton Parish Council: Whilst supporting the aspiration, the organisation queried the level of the housing target and expressed concern about quality and monitoring.

Ringmer Parish Council: The organisation supported the priorities and focused on the use of Community Land Trusts to help deliver them.

Access in Seaford and Newhaven Committee: The group asked that Lifetime homes be included.

8. How much do you agree or disagree with how we propose to work with people and partners?

Answer Choices		Response Percent	Response Total
1	Strongly agree	28.69%	35
2	Agree	31.15%	38

8. How much do you agree or disagree with how we propose to work with people and partners?

3	Neither agree or disagree		31.97%	39
4	Disagree		5.74%	7
5	Strongly disagree		2.46%	3
			answered	122
			skipped	0

Comment: (26)

There were no common themes found in this section.

Comments from organisations and groups

Lewes Priory Cricket Club: The group sought more information about how this would be achieved.

Lewes District Citizens Advice: The organisation asked that residents were put first in decision making.

Citizens Advice: The organisation sought more evidence about how this happens in practice.

9. Do you have any other comments or suggestions on the proposed priorities?

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	54
		answered	54
		skipped	68

Comment: (54)

Comment Themes from Individuals

- Primary health provision and local services/infrastructure.
- Traffic and accessibility to the towns by road.
- The importance of retaining green spaces.

Comments from organisations and groups

Lewes Priory Cricket Club: The group asked to see more support for volunteer groups.

Citizens Advice: The organisation hoped to see the plan fully realised.

Love Our Ouse: The group appreciated the opportunity to respond.

Plumpton Parish Council: The organisation was concerned that some of the development aspects of the plan may be outside of council control.

Ringmer Parish Council: The organisation asked that there continues to be a focus on value for money.

Railfuture Ltd - London & SE regional branch: The organisation felt that restoring a rail link between Lewes and Uckfield would contribute to many of the plans' aims and felt that it should be included as a specific action.

Sussex Police: The organisation did not believe the plan would heavily impact their priorities, however, did mention their work with LDC, Neighbourhood First and councillors to prevent and tackle Anti-social behaviour.

10. If you would like us to update you on the outcome of this consultation please enter your email address below.

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	66
		answered	66
		skipped	56

Equality monitoring questions

11. Would you like to answer or skip the following questions about you?

Answer Choices		Response Percent	Response Total
1	Answer the questions	60.68%	71
2	Skip the questions	39.32%	46
		answered	117

11. Would you like to answer or skip the following questions about you?

	skipped	5
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12. What is your age?

Answer Choices		Response Percent	Response Total
1	Under 18	0.00%	0
2	18 - 24	0.00%	0
3	25 - 34	5.41%	6
4	35 - 44	5.41%	6
5	45 - 54	5.41%	6
6	55 - 64	27.93%	31
7	65 - 74	31.53%	35
8	75 +	14.41%	16
9	Prefer not to say	9.91%	11
		answered	111
		skipped	11

13. What is your sex?

Answer Choices		Response Percent	Response Total
1	Male	55.56%	60
2	Female	43.52%	47
3	Other	0.93%	1
		answered	108
		skipped	14

14. What is your sexual orientation?

Answer Choices		Response Percent	Response Total
1	Bisexual	2.80%	3

14. What is your sexual orientation?

2	Gay man		1.87%	2
3	Gay woman or lesbian		0.93%	1
4	Heterosexual or straight		70.09%	75
5	Prefer not to say		14.95%	16
6	Other (please specify):		9.35%	10
			answered	107
			skipped	15

Other (please specify): (10)

15. What is your ethnic group? Ethnic groups are defined by the 2011 census

Answer Choices		Response Percent	Response Total
White			
1	English/Welsh/Scottish/Northern Irish/British	88.46%	92
2	Irish	0.00%	0
3	Gypsy or Irish Traveller	0.00%	0
4	Any Other White background	2.88%	3
Mixed/Multiple Ethnic Groups			
5	White and Black Caribbean	0.96%	1
6	White and Black African	0.00%	0
7	White and Asian	0.00%	0
8	Any Other Mixed background	0.00%	0
Asian or Asian British			
9	Asian/Asian British	0.00%	0
10	Indian	0.00%	0
11	Pakistani	0.00%	0
12	Bangladeshi	0.00%	0
13	Chinese	0.00%	0
14	Any Other Asian background	0.00%	0

15. What is your ethnic group? Ethnic groups are defined by the 2011 census

Black/African/Caribbean/British Black

15	African		0.00%	0
16	Caribbean		0.00%	0
17	Any Other Black/African/Caribbean background		0.00%	0

Other ethnic group

18	Arab		0.00%	0
19	Any Other Ethnic Group (please specify):		7.69%	8
			answered	104
			skipped	18

Any Other Ethnic Group (please specify): (8)

16. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Answer Choices		Response Percent	Response Total
1	Yes, limited a lot	9.62%	10
2	Yes, limited a little	8.65%	9
3	No	81.73%	85
		answered	104
		skipped	18

Next steps

This consultation findings report will be presented to Lewes District Council Cabinet for consideration alongside the draft plan 'Reimagining Lewes District – Delivering the Vision – 2024 – 2028' on 1 February 2024.

Once considered by the Cabinet, these findings will be published on our website ahead of consideration by Full Council at its meeting on 19 February 2024.

Full Council will be recommended to adopt the plan as their key corporate document to drive the council's direction over the next 4 years.

If you have any questions about this report or would like to request it in a different language or format, including a paper copy, please email BPP@lewes-eastbourne.gov.uk

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