

# Audit and Governance Committee

## 4 September 2023



Lewes District Council

**Time and venue:**

**10:00am in Room 209/210 on the Second Floor, The Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER**

**Membership:**

**Councillor Stephen Gauntlett (Chair);  
Councillors Daniel Stewart-Roberts (Deputy-Chair), Graham Clews, Cathy Gallagher,  
Olivia Honeyman, Charlotte Keenan and James Meek**

**Quorum: 4**

*Published: Thursday, 24 August 2023*

## Agenda

**1 Minutes (Pages 5 - 8)**

To confirm and sign the minutes of the previous meeting held on 3 July 2023 (attached herewith).

**2 Apologies for absence/declaration of substitute members**

**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.

**5 Written questions from councillors**

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

**6 External Audit progress**

Verbal update by District Council Officers and the Council's previous External Auditor, Deloitte

- 7 Updating and alignment of Scheme of Delegations to Officers (Pages 9 - 68)**  
Report of Lewes District's Monitoring Officer
- 8 Treasury Management (Pages 69 - 92)**  
Report of Director of Finance and Performance
- 9 Internal Audit and Counter Fraud report for the first quarter of the financial year 2023-2024 - 1st April 2023 to 30th June 2023 (Pages 93 - 108)**  
Report of Chief Internal Auditor
- 10 Date of next meeting**  
To note that the next meeting of the Audit and Governance Committee is scheduled to be held on Monday, 13 November 2023, in Room 209/210 on the Second Floor, Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, commencing at 10:00am.

## Information for the public

### Accessibility:

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### Public participation:

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

## Information for councillors

### Disclosure of interests:

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

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

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

**Councillor right of address:**

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

A member must give notice of the question to the Head of Democratic Services in writing or by electronic mail no later than close of business on the fourth working day before the meeting at which the question is to be asked.

**Other participation:**

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

## **Democratic Services**

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

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## **Audit and Governance Committee**

**Minutes of the meeting held in Room 209/210 on the Second Floor, The Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, on 3 July 2023 at 10:00am**

### **Present:**

Councillor Stephen Gauntlett (Chair);  
Councillors Daniel Stewart-Roberts (Deputy-Chair), Roy Clay (Substitute),  
Graham Clews and Charlotte Keenan

### **Officers in attendance:**

Steven Houchin (Interim Deputy Chief Finance Officer, Corporate Finance), Jackie Humphrey (Chief Internal Auditor), Jennifer Norman (Committee Officer, Democratic Services) and Elaine Roberts (Committee Officer, Democratic Services)

### **1 Election of Deputy-Chair**

That Councillor Daniel Stewart-Roberts be elected Deputy Chair of the Audit and Governance Committee for the remainder of the 2023/2024 municipal year.

### **2 Minutes**

The minutes of the meeting held on the 20 March 2023 were submitted and approved and the Chair was authorised to sign them as a correct record.

### **3 Apologies for absence/declaration of substitute members**

Apologies for absence were received from Councillors Cathy Gallagher, Olivia Honeyman and James Meek. It was declared that Councillor Roy Clay would be acting as Substitute for Councillor Meek for the duration of the meeting.

### **4 Declarations of interest**

There were none.

### **5 Urgent items**

There were none.

### **6 Written questions from councillors**

There were none.

## 7 External Audit progress

The Interim Deputy Chief Finance Officer (IDCFO) provided Members with an update in respect of the previous External Auditor's (Deloitte) progress on the Council's outstanding Statement of Accounts 2019/20, 2020/21 and 2021/22.

The IDCFO provided background information on the delay in publishing financial statements, highlighting that 2019/20 was still outstanding and that Deloitte had yet to commence the draft Statement of Accounts for 2020/21 and 2021/22. He further highlighted that the delay in publishing the Statement of Accounts was not limited to the Council, but rather a longstanding national issue for local authorities across the country.

The IDCFO confirmed that Grant Thornton UK LLP was the Council's newly appointed External Auditor.

The IDCFO summarised factors in the delays, including audit capacity and resources, vacancies, inability to recruit, complexity of report standards and Covid-19.

Discussions included statutory requirements regarding publishing fully audited accounts, the possibility of penalty fees and the outcome of the recommendations made in the independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities (2020).

**Resolved:** That the verbal update be noted.

## 8 Treasury Management Annual Report 2022/23

The Committee considered the Annual Treasury Management report which presented details of Treasury Management activities and the prudential and treasury indicators for 2022/23.

The Interim Deputy Chief Finance Officer (IDCFO) summarised the report.

Discussions included under borrowing, capital sales plan and expenditures, capital receipts and the Council's Treasury Management Consultants, Link Treasury Services.

**Resolved:** That Full Council be recommended (via Cabinet):

- 1) That the Annual Treasury Management report 2022/23 be approved;  
and
- 2) That the 2022/23 Prudential and Treasury Indicators included in the report (Section 9.1) be approved.

## 9 Internal Audit and Counter Fraud report for the financial year 2022-2023 - 1st April 2022 to 31st March 2023

***Prior to the consideration of this item, Officers requested and the Chair agreed that Agenda Item 9 (Annual Governance Statement) would be considered following Agenda Items 10 (Internal Audit and Counter Fraud Report for the financial year 2022-2023 - 1st April 2022 to 31st March 2023) and 11 (Strategic Risk Register Quarterly Review).***

The Committee received the report which provided a summary of the activities of Internal Audit and Counter for the financial year 2022-2023 from 1 April 2022 to 31 March 2023.

Discussions included audits that are still due follow ups, the business continuity plan, assurance and follow up, and counter fraud and related cost benefits.

**Resolved:** That the report be noted.

## **10 Strategic Risk Register Quarterly Review**

The Committee received the report which summarised the outcomes of the quarterly review of the Strategic Risk Register (SRR) by the Corporate Management Team (CMT).

The Chief Internal Auditor (CIA) summarised the report, highlighting that the SRR only comes to a meeting of the Committee if there are elections or changes to the register.

**Resolved:** That the report be noted.

## **11 Annual Governance Statement**

The Committee considered the report which set out the draft 2022/23 Annual Governance Statement (AGS).

The Chief Internal Auditor (CIA) summarised the report, highlighting the Governance Framework (Appendix 1), the Annual Governance Statement timetable (Appendix 2) and the Managers' Assurance Statements (Appendix 3).

The Chair thanked the CIA for all of the work she had done in relation to the AGS.

**Resolved:** That the Annual Governance Statement, as set out in Appendix 5, be approved.

## **12 Date of next meeting**

It was noted that the next meeting of the Audit and Governance Committee was scheduled to be held on Monday, 4 September 2023, in Room 209/210 on the Second Floor, Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, commencing at 10:00am.

The meeting ended at 11:53am.

Councillor Stephen Gauntlett (Chair)



# Agenda Item 7

<b>Report to:</b>	<b>Audit and Governance Committee</b>
<b>Date:</b>	<b>4 September 2023</b>
<b>Title:</b>	<b>Updating and alignment of Scheme of Delegations to Officers</b>
<b>Report of:</b>	<b>Monitoring Officer</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>For the Committee to consider the draft new Lewes Scheme and recommend it to Cabinet and full Council for approval.</b>
<b>Officer recommendation(s):</b>	<b>(1) To review and then to recommend to Cabinet the updated and aligned Scheme of Delegations to Officers (executive functions only) set out in Appendix 1; and  (2) To review and then to recommend to full Council the updated and aligned Scheme of Delegations to Officers (council functions only) set out in Appendix 1.</b>
<b>Reasons for recommendations:</b>	<b>The existing Scheme for Lewes has not been fully updated since 2015, leading to uncertainty over certain Officer powers and difficulty with implementation.</b>
<b>Contact Officer(s):</b>	<b>Name: Oliver Dixon Post title: Lawyer and Data Protection Officer E-mail: <a href="mailto:oliver.dixon@lewes-eastbourne.gov.uk">oliver.dixon@lewes-eastbourne.gov.uk</a> Telephone number: 01323 415881</b>

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## **1 Introduction**

- 1.1 The Council's Scheme of Delegations to Officers forms part of the constitution and sets out the substance and extent of powers delegated by the executive and full Council to each of the directors, the Monitoring Officer and Head of Legal Services. These delegations relate to officers' operational powers to perform their routine day to day functions.
- 1.2 Additionally, the Scheme delegates powers to Proper Officers, namely those officers designated under local government legislation to perform 'proper officer' functions.
- 1.3 Since the Joint Transformation Programme in 2015, the Council (LDC) and Eastbourne Borough Council (EBC) have continued to operate under individual Schemes. The presentation and scope of each one is drafted differently.

- 1.4 This differing approach, in addition to the absence of a much needed update, has led to inconsistencies at corporate level where directors acting across both authorities have sought clarity over the nature and extent of their delegated powers. Equally, references to 'Proper Officer' legislation require a refresh to ensure only current law is cited.
- 1.5 Whilst updating and alignment is the overriding objective, two individual Schemes will remain, since LDC retains exclusive functions relating to–
- (i) its development management functions on behalf of South Downs National Park Authority (see the introductory text prior to item C57; and the content of C57(iii) of the draft Scheme), and
  - (ii) its management of Code of Conduct matters in relation to parish councils (see item 104 of the draft Scheme).

For ease of reference, these are highlighted in green in the draft Scheme.

EBC retains exclusive functions relating to Devonshire Park and culture and tourism, including Eastbourne Downs Golf Club.

- 1.6 The two Schemes will in all other respects be identical in presentation and content, enabling officers to interpret and apply their powers correctly and consistently across their entire service responsibility and both authorities' geographical areas.

## **2 Drafting and consultation to date**

- 2.1 The Monitoring Officer prepared initial drafts, which he referred to the Corporate Management Team on 14 June 2023 and to the Senior Managers Forum for comment. Their recommended amendments were reflected in a revised draft.
- 2.2 The Lewes Constitution Working Group (CWG) met on 21 June and 20 July 2023 to review the Lewes draft Scheme. CWG is a cross-party advisory body with a remit to consider proposed amendments to the constitution and make recommendations to Audit and Governance Committee. Subsequently it's for this committee to refer the draft Scheme to Cabinet and full Council for approval.
- 2.3 At their first meeting, CWG commented on the draft in detail and suggested amendments. In light of this, the Monitoring Officer revised the draft and presented it back to the Group for re-consideration. This latest version was endorsed by all members at their second meeting.

## **3 Proposal**

- 3.1 Part of the Audit and Governance Committee remit is to consider governance amendments (including constitutional matters). In that capacity, the Committee is invited–
- (i) to review the draft version of the updated and aligned Scheme set out in Appendix 1; and

- (ii) to recommend that Cabinet approve all executive functions; and that full Council approve all Council (i.e. non-executive) functions.

- 3.2 Council functions are set out in article 4.4 of the constitution – see link under Background Papers (paragraph 11 below). Any functions not listed in article 4.4 are, by default, executive functions.
- 3.3 To assist the Committee, from Part B onwards all Council functions in the draft Scheme are denoted with the letter ‘C’ in red. All other entries from Part B onwards are executive functions.
- 3.4 As indicated in paragraph 1.1, the Scheme specifies powers exercisable by officers on a routine, regular basis as part of their ordinary day to day functions. These are distinct from express delegations made by resolution of Cabinet or full Council, giving effect to a stand-alone officer report and recommendations on a specific topic.
- 3.5 Subject to Cabinet approving the executive delegations at its meeting on 9 November 2023, and full Council approving the Council functions at its meeting on 20 November 2023, the new Scheme will come into force once the directors’ existing sub-delegations are aligned to the new parent Scheme.
- 3.6 EBC’s Scheme will undergo the same decision-making pathway through its own Audit and Governance (27 September 2023), Cabinet (1 November 2023) and Full Council (15 November 2023).

## **4 Summary of Key Changes**

### **4.1 Layout**

- Contents list added for ease of reference
- Scheme opens with principles of interpretation (A) followed by delegations to all chief officers (B), and then to specified chief officers (C).
- Annex A summarises the remits of each chief officer
- Delegations to Director of Service Delivery now listed sequentially
- Consistent numbering protocol applied throughout

### **4.2 Content amendment**

- All references to legislation checked and updated where necessary.
- Repealed legislation is deleted
- Chief Officers’ titles and remits updated
- Obsolete powers removed
- Urgency powers added
- Limitations to exercise of Chief Executive’s powers to take urgent action, now requiring pre-notification to the Leader or Deputy Leader where reasonably practicable
- Chief Officers’ powers to determine staff matters at item B43 require consultation with the Director of Tourism, Culture and Organisational Development for the functions listed in the Limitations column
- Clarification of Chief Finance Officer’s treasury management powers

- Clarification added to the Director of Regeneration and Planning's planning functions
- Clarification of Assets of Community Value review powers conferred on Head of Legal Services

## 5 Outcome expected

- 5.1 An aligned and updated Scheme should ensure lawful, valid and consistent decision making by directors and their teams across both authority areas.

## 6 Business Case and alternative option(s) considered

- 6.1 The Council is under a legal duty to include in its constitution a list of powers exercisable by officers. See further at paragraph 8 below.

## 7 Financial appraisal

- 7.1 The cost of updating and managing an updated set of Schemes can be met by the revenue budgets of the Legal Services and Democratic Services teams.

## 8 Legal implications

- 8.1 Section 9P(1) of the Local Government Act 2000 requires a council operating executive arrangements to prepare and keep up to date a constitution which contains (amongst other things) "such information as the Secretary of State may direct." Under the Local Government Act 2000 (Constitution) Direction 2000, the Secretary of State directed that councils must include in their constitution–
- a description of those powers of the **executive** which are exercisable by an officer of the local authority, stating the title of the officer by whom each of the powers so specified is exercisable; and
  - a description of those powers of the **council** which are exercisable by an officer of the local authority stating the title of the officer by whom each of the powers so specified is for exercisable.
- 8.2 Apart from the record needing to list all powers delegated to specified officers, the document format is not prescribed by statute or common law. It is in the interests of council members, officers and the public, however, that the Scheme is clear and concise. It should also be prefaced by a set of principles as to how the Scheme operates (including arrangements for amending and adding to the Scheme as necessary from time to time) and guidelines by which it should be interpreted.
- 8.3 Section 100G(4) of the Local Government Act 1972 and section 9P(3) of the Local Government Act 2000 require that local authorities make a copy of its constitution available for inspection by members of the public at all reasonable hours. The council satisfies this obligation by publishing its constitution on its website.

8.4 The distinction between executive and council functions is specified in the Local Authorities (Functions and Responsibilities) Regulations 2000.

*Date of legal advice: 15.08.23*

*Legal ref: ADMIN-JOINT-OD (Governance)*

## **9 Risk management implications**

9.1 An aligned and updated Scheme provides a sound and proper basis on which directors can exercise powers on a delegated basis. It is no longer tenable for directors to rely on the current Scheme, given its many references to obsolete job titles, repealed legislation and lack of consistency across the shared LDC-EBC areas.

9.2 Officer decisions made without proper authority could provide an affected party with grounds to apply for a judicial review.

## **10 Appendices**

10.1 Appendix 1 - Proposed Scheme of Delegations to Officers, aligned and updated

## **11 Background papers**

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

- Lewes District Council's current Scheme of Delegations  
[Microsoft Word - Constitution Part9 T \(Scheme of Delegation\) \(June 2021\) \(lewes-eastbourne.gov.uk\)](#)
- Eastbourne Borough Council's current Scheme of Delegations  
[Microsoft Word - part 3\\_D \(Responsibility for Functions\) \(Section D - Scheme of delegations\) \(Updated April 2023\) \(lewes-eastbourne.gov.uk\)](#)
- List of functions reserved to full Council  
[PART 2 \(lewes-eastbourne.gov.uk\)](#) (refer to Article 4.4 on pages B7 to B8)

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**Appendix 1**

*(Date of draft: 15.08.23 – clean)*

Lewes District Council Constitution  
Part 9 – Scheme of Delegations  
Updated – *[Insert date]*



**Lewes District Council**

**Part 9**

**Scheme of Delegations to Officers  
and  
Proper Officer List**

**LEWES DISTRICT COUNCIL**

## Appendix 1

(Date of draft: 15.08.23 – clean)

### CONTENTS

#### A – General Principles

A1 to A4:	Principles
A5:	Interpretation
A6:	Abbreviations

#### B – Delegations to **all** Chief Officers

B1:	To manage functions for which the Chief Officer is responsible, per Annex A
B2-B45:	Generic delegations

#### C – Delegations to **specific** Chief Officers, the Head of Legal Services and the Monitoring Officer

C1:	Scope of delegations
C2 - C6:	Chief Executive
C7:	Chief Officers other than Chief Executive
C8 - C11:	Director of Tourism, Culture and Organisational Development
C12 - C36:	Director of Service Delivery: - benefits, local taxes and rates, housing, community safety and waste
C37 - C41:	- regulatory functions, health and safety investigations and prosecutions
C42 - C56:	Director of Finance and Performance
C57 - C82:	Director of Regeneration and Planning
C83 - C103:	Head of Legal Services
C104 - C106:	Monitoring Officer

#### D – Proper and/or Authorised Officer Functions

#### E – Specific authorisations for Court

#### F – Authorisation to enter land or premises

#### Annex A – Chief Officers' and Monitoring Officer's Areas of Responsibility



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## A General Principles

### A1. Statutory authority permitting the Council to delegate the discharge of its functions to an officer is provided by:

- The Local Government Act 1972, section 101(a), in respect of **non-executive** functions. The power to decide which of these functions are to be delegated to an officer resides with full Council or, where full Council has authorised a committee to discharge any function, with that Committee.
- The Local Government Act 2000, section 9E(2)(b), in respect of **executive** functions. The power to decide which executive functions are to be delegated to an officer is in the sole gift of the Leader or, where the Leader has authorised the Cabinet or a Cabinet Member to discharge any function, in the gift of the Cabinet or Cabinet Member as applicable.

The Proper Officer appointments are made under the relevant provisions of section D of this scheme.

An officer or other person is authorised to exercise such powers as are shown in the Scheme of Delegations including those reasonably applied or incidental to the matters specified in respect of the functions of the Council. Functions, matters, powers, authorisations, delegations, duties and responsibilities etc. within the scheme shall be construed in a broad and inclusive fashion.

### A2. For the purposes of this scheme:

If the post of an officer to whom a function is delegated (or to which he/she has been appointed as a Proper Officer) is vacant, or if the post-holder is absent through sickness, on leave (of whatever type), or otherwise unavailable, then unless the Council otherwise decides:

- i) In the case of the Chief Executive, the delegation shall be exercisable by the Deputy Chief Executive, a formally-appointed Acting Chief Executive (to include an Interim Chief Executive) or any one of the Chief Officers (as defined below).
- ii) In the case of a Chief Officer the delegation shall be exercisable by the Chief Executive or another Chief Officer.
- iii) In the case of the Officer who carries the role of a Section 151 Officer, the delegation shall be exercisable by the Deputy Section 151 Officer in relation to matters under Section 151 of the Local Government Act 1972.

(Date of draft: 15.08.23 – clean)

- iv) In the case of the Officer who carries the role of Monitoring Officer, the delegation shall be exercisable by the Deputy Monitoring Officer in relation to matters which are the responsibility of the Monitoring Officer.
- v) In the case of a Head of Service, the delegation shall be exercisable by the Chief Executive, Deputy Chief Executive or a Director or a Head of Service sub-delegated to in writing by one of these officers, provided that the officer exercising the delegation has the requisite professional qualification, where such is required (e.g. planning).

**A3. Where decisions are taken by officers under delegated powers the following conditions and rules shall apply:**

- i) Powers shall be exercised in accordance with the Council’s Constitution (including budgetary, financial and contractual procedural rules), in accordance with professional advice and, if appropriate, from the relevant lead service officer, in accordance with the Council’s approved Policy Framework and other approved plans and policies and also with regard to all relevant legislative provisions.
- ii) Any Officer exercising a delegation, except in cases of emergency, shall only do so:
  - a) in accordance with the relevant policies and procedure of the Council, and
  - b) where provision has been made for any expenditure within the relevant budget.
- iii) In cases of emergency an Officer may, if justified by all of the circumstances, exercise delegations in a manner which is not in accordance with Council policies or procedures and/or where provision has not been made in any budget. A written record of the reasons for deviating from the policies and procedure and/or expenditure without a relevant budget must be made and kept.
- iv) The Officer exercising such power shall give effect to any resolution or decision of the Council, Leader, Cabinet, Cabinet Member or a Committee upon any matter of principle or policy in relation to the functions concerned.
- v) Where an Officer is authorised to take a decision or exercise a function either directly or by virtue of the provisions relating to absence detailed in paragraph A2 above, he/she may authorise any other officer specifically or generally to take such action as is necessary to implement that decision or exercise that function either in the name of the Officer so delegating or in the sub-delegate’s own name.
- vi) Officers carrying delegations under this Scheme of Delegations, while retaining the delegation themselves, may also, in writing, further delegate the authority to exercise the delegation to another officer, although final responsibility for the

## Appendix 1

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actions taken under any such sub-delegation will remain with the original delegator. Officers entrusted with such sub-delegations may, with the written agreement of the relevant Director, further delegate the authority.

- vii) Any sub-delegation is to be recorded in writing.
- viii) A copy of any sub-delegation or its revocation shall be provided to the Head of Democratic Services within five working days. The Head of Democratic Services shall maintain a central register of sub-delegations and the current list of sub-delegations shall be shown on the intranet and be available to Members and Officers.
- ix) An Officer may be required under this Scheme of Delegations to Officers to exercise a delegation after consultation with the Leader, a Cabinet Member or other nominated Councillors. Any sub-delegation or further sub-delegation of the original delegation will retain any original consultation requirement. The Officer dealing with a matter shall also arrange for any inter-departmental consultation that may be required.
- x) Where an Officer is authorised to take decisions, action to implement such decisions shall be taken in the name of (but not necessarily personally by) that Officer.
- xi) Any Officer to whom a delegation or sub-delegation is given may waive his/her right to exercise the delegation or sub-delegation and refer the matter back to the Council, the Leader, the Cabinet, the Individual Cabinet Member or to the relevant Committee or the original delegate for a decision.
- xii) Where an Officer is taking a decision which could attract legal liability to the Council, he/she shall consider whether or not the nature of the decision justifies it being taken in consultation with the Head of Legal Services to the Council (e.g. termination of a contract).
- xiii) Each delegated power includes authority, after consultation with the Council's senior legal officer, for:
  - (a) the prosecution, defence, institution of or appearance in any legal or other proceedings in any Court, inquiry or tribunal or before any similar body; and
  - (b) the conduct of any such proceedings. All legal proceedings shall be undertaken under the name of the Council's senior legal officer.

## Appendix 1

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- xiv) Any decision which has financial implications other than those budgeted for shall be taken in consultation with the Council's Director of Finance and Performance.
- xv) Unless specifically stated, no delegation authorises the taking of decisions as to whether or not simple cautions (as a punishment) should be administered to defendants or legal action should be taken by or on behalf of the Council.
- xvi) Subject to any express provision or instruction from the Council, the Leader, the Cabinet or other decision-making body of the Council to the contrary, any power to approve or deal also includes the power to refuse and the power to impose appropriate conditions.
- xvii) Decisions taken under delegated powers may need to be recorded. Rule 13 of the Access to Information Procedure Rules shall apply in respect of any key decision taken by an Officer under delegated authority of the Leader or the Cabinet. An Officer exercising a delegated power shall, where necessary, append a note to the record of his/her decision detailing the steps taken to inform/consult with the Leader/Cabinet Members/Councillors and the responses received. In accordance with regulation 13(4) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and regulation 7 of the Openness of Local Government Bodies Regulations 2014, where a written statement of executive and non-executive officer decisions must be recorded, it is published as soon as reasonably practicable after a decision has been made.
- xviii) This Scheme of Delegation should be read in conjunction with any of the Council's business plans. These set out the general priorities for the Council's activities and are agreed by the Council on an annual basis. Chief Officers are delegated to carry out the activities described in these plans, with overview by the Council carried out through its performance management and budget monitoring framework.

### A4. Other matters

- i) Those Officers designated as proper officers, authorised officers, appropriate person or any other statutory description of officer listed in Section D shall exercise the powers and have the responsibilities attributed to them by legislation.
- ii) The Chief Executive, Deputy Chief Executive, Directors and the Director of Finance and Performance may appoint any appropriate officer to be a proper officer, authorised officer, appropriate person or any other statutory description of officer in respect of any legislation and written confirmation of such appointment shall be conclusive evidence of its application in particular cases.

## Appendix 1

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- iii) In the event that a post to which a delegation is given ceases to exist and its responsibilities are transferred to another post temporarily or permanently, then the delegations given under this scheme shall be exercisable by the post to which the responsibilities have been transferred. There should be written confirmation of the change in responsibilities from the Chief Executive, which shall be provided to the Head of Democratic Services to be retained with the central copy of the Scheme of Delegations and sub-delegations.
- iv) An Officer acting up to or seconded to a post on which delegations have been bestowed in accordance with this Scheme of Delegations shall be able to exercise those delegations in the same way as the original postholder.
- v) The Monitoring Officer may at any time make minor technical or presentational amendments to this Scheme to reflect changes in legislation, policy, or Chief Officer titles and remits. Amendments of a substantive nature must, after consideration by the Senior Managers Forum and the Corporate Management Team, be referred to the Constitution Working Group for consideration and to formulate a recommendation to Audit and Governance Committee.

## Appendix 1

(Date of draft: 15.08.23 – clean)

### A5. Interpretation

Term	Definition
Act, Order or other legal provision	Any reference to an Act, Order or other legal provision shall include a reference to any modification or re-enactment thereof and any reference to any Directive, Act, Order or other legal provision shall include any Regulations, Orders, Rules, Instruments, Directions, Statutory Guidance or other legal provision made thereunder.
Chief Officer	The Chief Executive and any of the Directors.
Consultation	Consultation shall mean seeking the comments of the person(s) to be consulted with. Consultation shall not mean obtaining the consent of the person(s) to be consulted with. A written record of the consultation shall be retained by the officer managing the exercise.
The Council	Shall include the Council, the Leader, the Cabinet, an Individual Cabinet Member or a Committee.
Emergency	Circumstances where action is necessary immediately and where inaction may lead to a loss of life, injury to a person or animal or damage to or loss of property.
The Planning Acts	The Town and Country Planning Act 1990, the Town and Country Planning Act 2008, the Planning (Listed Building and Conservation Areas) Act 1990, and the Planning (Hazardous Substances) Act 1990; and, in respect of them all, any amendments as may be made from time to time and any regulations and orders made pursuant to the same.
In writing	When applied to a sub-delegation, further sub-delegation or the cancellation of such a sub-delegation or further sub-delegation from this Scheme of Delegations, “in writing” shall be taken to include email, whether or not by specific reference to the elements of the scheme within such an email, or by a combination of general sub-delegation and attachment to the email of part or parts of this Scheme. As provided at A3(viii) above, the Head of Democratic Services shall be responsible for maintaining an up to date register of such sub-delegations, further sub-delegations or retractions of such delegations and sub-delegations, which shall be available to view on the Council’s Intranet.

## Appendix 1

(Date of draft: 15.08.23 – clean)

### A6. Abbreviations

Post	Abbreviation
Chief Executive (and Head of Paid Service)	CE
Director of Regeneration and Planning	DRP
Director of Service Delivery	DSD
Director of Finance and Performance	DFP
Director of Tourism, Culture and Organisational Development	DTCOD
Head of Legal Services	HLS
Head of Democratic Services	HDS
Head of Electoral Services	HES

Act / Regulation or Order	Abbreviation
Planning (Listed Buildings and Conservation Areas) Act 1990	P(LB&CA)A
Town and Country Planning Act 1990	TCPA
Town and Country Planning (Control of Advertisement) Regulations 1992	TCP(CA) Regs
Town and Country Planning (General Permitted Development) Order 2015	GPDO

(Date of draft: 15.08.23 – clean)

## B Delegations to all Chief Officers

Subject to the foregoing, there are delegated to the Chief Officers those matters detailed in column 2 below, subject to any consultation requirements set out in column 3 and any limitations listed in column 4 below. Chief Officers can make any decision that can be made by a Head of Service or other Officer.

### General:

No.	Delegation	Consultees	Limitations
B1.	To manage the functions for which they are responsible as set out in <a href="#">Annex A</a> .		
B2.	To make consequential amendments to any policy, strategy, consultation or similar document and sign notices, other than legal notices, arising from any decision of the Council.		
B3.	To respond to consultations.	Relevant Cabinet Member	
B4.	To dispose of lost or uncollected property.		
B5.	To procure goods and services in accordance with Contract Procedure Rules.	DFP	
B6.	To exercise powers under Section 1 of the Localism Act 2011 (the general power of competence) in respect of the functions for which they are responsible as set out in <a href="#">Annex A</a> .		
B7.	To exercise powers and determine all matters relating to the supply of goods and services to other local authorities and public bodies in respect of the functions for which they are responsible as set out in <a href="#">Annex A</a> .	DFP	



**Appendix 1***(Date of draft: 15.08.23 – clean)*

<b>No.</b>	<b>Delegation</b>	<b>Consultees</b>	<b>Limitations</b>
B8.	To carry out the 'Proper Officer' and 'Authorised Officer' functions as identified in the list set out in Section D below.		
B9.	To carry out minor development for which planning permission is not required.		
B10.	To authorise Officers to carry out inspections, take samples, enter premises, form opinions and take any other necessary action as may be required by law or in accordance with the Council's functions and policies in relation to the functions for which they are responsible.		

**Contracts:**

<b>No.</b>	<b>Delegation</b>	<b>Consultees</b>	<b>Limitations</b>
B11.	To do all matters in relation to the letting of contracts.		In accordance with Contract Procedure Rules
B12.	To invite and accept tenders received on any matter.		In accordance with Contract Procedure Rules
B13.	To sign contracts on behalf of the Council.		In accordance with Contract Procedure Rules

## Appendix 1

(Date of draft: 15.08.23 – clean)

Lewes District Council Constitution  
Part 9 – Scheme of Delegations  
Updated – [Insert date]

### Financial:

No.	Delegation	Consultees	Limitations
B14.	To manage budgets allocated to the functions for which they are responsible as set out in Annex A, including authority to incur expenditure, and enter into contracts, on items included in the approved Revenue Estimates or Capital Programme except where the Council has placed a reservation on any such item.		In accordance with Financial Procedure Rules and Contract Procedure Rules
B15.	To implement the substance and conditions of a grant provided by the government under s.31 of the Local Government Act 2003.		
B16.	To provide business grants under government schemes.		
B17.	To write off amounts as irrecoverable.	DFP/Relevant Cabinet Member	In accordance with Financial Procedure Rules
B18.	To determine grant applications in relation to the functions for which they are responsible as set out in Annex A.		(NB this delegation does not relate to the award of grants to Voluntary sector organisations)
B19. C	To vary, in exceptional circumstances, annual fixed fees and charges, subject to any relevant Council policies.	Relevant Cabinet Member	
B20. C	To determine charges for the use of relevant services and events not covered by the annual review of fees and charges.	Relevant Cabinet Member	

## Appendix 1

(Date of draft: 15.08.23 – clean)

No.	Delegation	Consultees	Limitations
B21.	To take any action authorised by Financial Procedure Rules.		
B22.	To submit bids for the Council to receive grants etc from outside bodies in accordance with the functions of the Council.	DFP	

### Assets:

No.	Delegation	Consultees	Limitations
B23.	Disposal of surplus / redundant moveable assets (i.e. not land or buildings).		Not to include any item that may be considered to be of historical significance, interest or value.

### Data Protection and Freedom of Information:

No.	Delegation	Consultees	Limitations
B24.	Respond to requests under Data Protection and Freedom of Information legislation, the latter comprising the Freedom of Information Act 2000 and Environmental Information Regulations 2004.		

### Emergency Powers:

No.	Delegation	Consultees	Limitations
B25.	To take any action necessary with regard to the Council's Emergency Planning functions, as required under the Civil Contingencies Act 2004 and the Council's other emergency plans, including authority to incur expenditure.		

## Appendix 1

(Date of draft: 15.08.23 – clean)

### Land:

No.	Delegation	Consultees	Limitations
B26.	In accordance with Council policies, to manage land, property and other assets allocated to the functions for which they are responsible.		

### Health and Safety:

No.	Delegation	Consultees	Limitations
B27.	To exercise all powers, functions, duties and responsibilities of the Council with regard to Health & Safety.		

### Equalities:

No.	Delegation	Consultees	Limitations
B28.	To exercise all powers, functions, duties and responsibilities of the Council with regard to equalities.		

### Legal:

No.	Delegation	Consultees	Limitations
B29.	To make application for warrants of entry to land or property under the provisions of any legislation, other than warrants for possession of land or property, in relation to functions for which the Chief Officer is responsible.	Where practicable, with the HLS	

**Appendix 1**

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No.	Delegation	Consultees	Limitations
B30.	After consultation with the Head of Legal Services,  (i) to prosecute, defend, commence or appear in any legal or other proceedings in any Court, inquiry or tribunal or before any similar body; and  (ii) to conduct any such proceedings. All legal proceedings shall be undertaken under the name of the Head of Legal Services.		
B31.	To sign, issue and serve all notices required by statute or otherwise to be given by the Council and all necessary advertisements.		

**Regulatory:**

No.	Delegation	Consultees	Limitations
B32.	To issue fixed penalty notices where permitted by statute in relation to the functions for which they are responsible.		
B33.	The grant, review, renewal and cancellation of authorisations under the Regulation of Investigatory Powers Act 2000 and Investigatory Powers Act 2016, in accordance with the Council’s surveillance and communications data acquisition policies.		Applies to RIPA authorising officers only.
B34.	The making of ex gratia payments in cases of maladministration.	DFP	

## Appendix 1

(Date of draft: 15.08.23 – clean)

### Licences, notices etc.

No.	Delegation	Consultees	Limitations
B35. C	The determination of any application for permissions, consents or licences or for registration within the functions for which he/she is responsible.		Except where they are reserved to Council, the Leader, the Cabinet, a Cabinet Member or Committee.
B36. C	The issue and service of any notice or requisition for information concerned with matters within the functions for which he/she are responsible.		
B37. C	The carrying out of works in default following non-compliance with any notice concerned with matters within the functions for which the/she are responsible.		
B39.	The management of any internal appeal, challenge or objection process against or in support of any of the Council's decisions, other than before a court or tribunal.		
B40.	The incurring of expenditure on the reception and entertainment by way of official courtesy of persons representative of or connected with local government or other public services whether inside or outside the United Kingdom.		To maximum of £2000.

### Planning:

No.	Delegation	Consultees	Limitations
B41.	To make application for all consents required in relation to planning permission in respect of Council land or property in relation to the functions for which they are responsible as set out in <a href="#">Annex A</a> .		

## Appendix 1

(Date of draft: 15.08.23 – clean)

### Regulation etc:

No.	Delegation	Consultees	Limitations
B42.	To make application for all consents required in relation to Building Regulation Approval in respect of Council land or property in relation to the functions for which they are responsible as set out in <a href="#">Annex A</a> .		

### Staffing:

No.	Delegation	Consultees	Limitations
B43.	To determine and take action in relation to all staff matters relating to permanent and temporary staff below Chief Officer level, allocated to the functions for which they are responsible.		In respect of applications from ill health retirement, and applications from former employees to have their LGPS pensions released on compassionate or exceptional grounds, directors may proceed only in consultation with DTCOD and Council appointed Occupational Health Team.
B44.	To appoint officers as ‘Authorised Officers’, ‘Inspectors’, ‘Proper Officers’ or similar and to undertake enforcement functions excluding the issuing or defending of legal proceedings in respect of functions for which the officer is responsible.		
B45.	In accordance with section 113(1) of the Local Government Act 1972, to place officers at the disposal of other local authorities.	The individual officer(s) to whom the disposal applies	Where the disposal relates to a high profile matter or one of strategic importance, the Chief Officer should give due consideration to consulting the relevant Cabinet member.

(Date of draft: 15.08.23 – clean)

**C Delegations to Specific Chief Officers, the Head of Legal Services and the Monitoring Officer**

**Subject to the foregoing, there are delegated to the Officers listed below those matters detailed in column 2 subject to any consultation requirements in column 3 and any limitations in column 4.**

No.	Scope of Delegations
C1.	<p>Chief Officers, the Head of Legal Services and the Monitoring Officer shall exercise the following powers or may authorise suitably experienced or qualified officers who shall have, save for any consultation requirements and limitations listed, the range of powers set out below. The powers referred to shall <b>not</b> include the following:</p> <ul style="list-style-type: none"> <li>a) Powers where an individual officer is required by law to hold a relevant qualification and he/she does not hold that qualification.</li> <li>b) Powers which fall outside the individual’s actual authority as determined by his/her post or are not covered by the authorisation issued by or on behalf of the delegating Officer.</li> <li>c) Any situation where an individual Officer is prevented, for whatever proper reason, from exercising such power.</li> <li>d) Powers to determine whether or not civil or criminal proceedings should be issued once evidence to support the issue of such proceedings is available save as set out below in respect of cautions and administrative penalties.</li> <li>e) Powers to authorise civil or criminal proceedings.</li> </ul>



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**Chief Executive:**

No	Function	Consultation	Limitation
C2. C	The taking of any action required in connection with the organisation or holding of neighbourhood, parish, district, county, general elections or referenda.		
C3.	To take urgent action on behalf of the Council.		<p>This power may be exercised only where all efforts, so far as reasonably practicable, have been made to inform the Leader or Deputy Leader in advance.</p> <p>Where it is not practicable to inform the Leader or Deputy Leader in advance, the Chief Executive should do so at the earliest feasible time thereafter.</p> <p>For the purposes of this delegation, “urgent action” means action that needs to be taken immediately or in a very short timescale to meet operational needs and cannot reasonably be deferred to allow the normal decision making process.</p>
C4.	The grant and supervision of exemptions from political restriction.	HLS	
C5.	To maintain a register of politically restricted posts and ancillary matters.	HLS / HDS	
C6.	To convene and cancel meetings of the Council, the Leader, the Cabinet, Cabinet Members, Committees and all other Council bodies.	HLS / HDS	

## Appendix 1

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### Chief Officers other than the Chief Executive:

No	Function	Consultation	Limitation
C7.	In the absence of the Chief Executive, to take urgent action on behalf of the Council.		The relevant Chief Officer(s) will, where reasonably practicable, inform the Leader or Deputy Leader in advance.

### Director of Tourism, Culture and Organisational Development:

No	Function	Consultation	Limitation
C8.	To confirm the appointment of staff on the satisfactory completion of probationary period.	Relevant Chief Officer.	
C9.	To implement the Council's pay and grading procedure.	DFP.	
C10.	To implement any nationally agreed pay settlements.	DFP.	
C11.	To exercise the Council's functions relating to the provision and management of cultural facilities and activities, including but not limited to the provision the hospitality and catering.		

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Lewes District Council Constitution  
Part 9 – Scheme of Delegations  
Updated – [Insert date]

### Director of Service Delivery:

No	Function	Consultation	Limitation
C12.	To make payments of housing and Council Tax or similar benefits.		
C13.	To take all necessary actions including legal enforcement relating to the demand, collection and the recovery of Council Tax, Rates and any other local levy or collected taxes.		
C14.	To determine entitlement to mandatory or discretionary rate relief.	Relevant Cabinet Member	
C15.	To serve on the Valuation Officer notice of objection to any proposals for alteration of the Valuation List.		
C16.	To make proposals for the alteration of the Valuation List or for inclusion of particular properties in the Valuation List.		
C17.	To sign off Valuation Agreements.		
C18.	To determine any applications for Housing, Council Tax or similar benefits.		
C19.	To determine and take all action in relation to the management and maintenance of the Council's housing accommodation including the letting, transfer, exchange and repossession of dwellings, garages, open spaces and parking spaces. To determine and where appropriate give consent for alterations or extensions to former Council houses and flats.		

**Appendix 1**

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No	Function	Consultation	Limitation
C20	<p>In relation to all and any council owned housing properties:</p> <p>(i) to acquire or dispose of land, and to grant and/or modify leases, easements, licences and way-leaves of, in, or over such properties, in accordance with the limits specified in paragraphs C1 a) to e) above.</p> <p>(ii) To vary the terms and conditions of, or negotiate the surrender of, leases and licences.</p> <p>(iii) To determine as landowner or landlord, applications for licences, consents and permissions in respect of properties.</p>	<p>Where any value exceeds the limits specified in paragraphs a) to e), the DSD may exercise the powers referred to in 17A(i) but only after consulting with the relevant cabinet portfolio holder.</p>	<p>a) Where the payment from the other party does not exceed £50,000 (£25,000 for amenity land); or</p> <p>b) where the payment to the other party does not exceed £50,000; or</p> <p>c) where the annual rent does not exceed £25,000 (except for a rent review); or</p> <p>d) where the lease term of the property does not exceed 10 years; or</p> <p>e) if an easement or way-leave, the annual fee does not exceed £1,000.</p>
C21	<p>To make the necessary application for permission to dispose of 5 or more HRA assets direct to the Secretary of State.</p>		
C22.	<p>To investigate allegations of council tax benefit fraud.</p>		
C23.	<p>To determine whether or not a simple caution or administrative penalty should be administered following an investigation into an alleged criminal offence</p>	<p>HLS</p>	<p>There must be a full admission.                      It must be a first offence.                      It must be in the public interest.                      It must be a minor matter.                      It must not be a complex fraud or attempted fraud.</p>
C24.	<p>To administer simple cautions and administrative penalties, following determination in accordance with paragraph C23 above.</p>		

## Appendix 1

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
C25.	To implement the Council’s policies regarding Community Safety and the reduction of crime and disorder.		
C26.	To take appropriate enforcement action in relation to – (i) any Council byelaw; and (ii) any anti-social behaviour regulated by the Council under powers conferred by the Anti-social Behaviour, Police and Crime Act 2014, such enforcement to include the issuing of fixed penalty notices.		
C27.	To exercise the Council’s functions relating to homeless persons.		
C28.	To determine applications for appropriate Housing Grants and the taking of all steps concerned with certification of payment of the same.		
C29.	To devise, manage and maintain the Housing Register maintained by the Council under the relevant statutory provisions in accordance with the Council’s Housing Allocations Policy.		
C30.	To nominate people on the Council’s Housing Register to properties managed by Homes First and the Registered Social Landlords in accordance with the Council’s allocations policy.		
C31.	To exercise the Council’s regulatory and any associated management functions in relation to fitness and standards of housing and residential accommodation.		

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(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
C32.	To exercise the Council’s regulatory and any associated management functions in relation to houses in multiple occupation and private housing.		
C33.	To exercise all the Council’s functions in relation to cremations, burials and all bereavement-related services.		
C34.	To collect, remove, recycle and dispose of waste and fly tipping waste to ESCC’s nominated Waste Disposal Authority (WDA) site.		
C35.	To collect, remove, recycle and dispose of litter to ESCC’s nominated WDA site.		
C36.	To authorise revisions to charges in relation to the following “charged for” services: Garden Waste, Trade Waste, Bulky Waste, as well as replacement bin provision; and new refuse bins and dog and litter bins to town and parish councils.		

**Director of Service Delivery:**

No	Function	Consultation	Limitation
C37.	To manage, including the authority to agree usage (and, where appropriate, agree temporarily reduced charges for usage where such reduction is in the financial and/or overall interests of the Council) and, to maintain all the parks, pleasure grounds, gardens, open spaces, commons, recreational facilities, museums, nature		

**Appendix 1**

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No	Function	Consultation	Limitation
	reserves and allotments within the Council’s control.		
C38. C	All matters relating to pleasure boats, boatman’s licences, fisherman’s agreements and all such other matters related to the Council’s powers and duties in relation to the coast, rivers and harbours.		
C39. C	Regulatory functions. To exercise all the regulatory and any associated management functions for which the Council has responsibility, including but not limited to the following: <ul style="list-style-type: none"> <li>a. Amenities on the highway.</li> <li>b. Animal welfare and control</li> <li>c. Caravan Sites</li> <li>d. Environmental protection</li> <li>e. Fitness and Standards of Housing</li> <li>f. Food Safety and Hygiene</li> <li>g. Gambling</li> <li>h. Gaming permits</li> <li>i. Hackney Carriages and Drivers</li> <li>j. Health and Safety at Work</li> <li>k. Houses in Multiple Occupation and Private Housing.</li> <li>l. House to house collections</li> <li>m. Highway management</li> <li>n. Licensable activities under the Licensing Act 2003</li> <li>o. Lotteries</li> <li>p. Markets</li> <li>q. Motor Salvage Operators</li> <li>r. Pest Control</li> </ul>		

**Appendix 1**

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No	Function	Consultation	Limitation
	s. Leisure Boats t. Private Hire Vehicles drivers and operators u. Public Health v. Public Safety w. Registration Plates x. Residential Accommodation y. Scrap metal dealers z. Shops and Sunday trading aa. Street Collections bb. Street Trading cc. Water and Sewerage dd. Street Closures ee. Cremations, Burials and all Bereavement-related services.		
C40. C	All matters relating to the investigation and prosecution of matters under the Health & Safety at Work legislation.	HLS	Using duly appointed inspectors as appropriate.
C41. C	To issue and serve notices pursuant to the Building Act 1984 and Building Regulations and to carry out works in default.		

**Director of Finance and Performance (Section 151) Officer:**

No	Function	Consultation	Limitation
C42.	In respect of Treasury Management:  (i) to arrange the borrowing of money authorised by the Council and manage the Council's debt in accordance		



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No	Function	Consultation	Limitation
	<p>with any guidelines laid down by the Council, but this authority does not extend to matters other than the strict management of debt and does not include (for the sake of illustration only) other measures, such as interest rate swaps, any financial arrangements which are based on notional amounts of debt, or any speculative proposals of any kind;</p> <p>(ii) to borrow by way of bank overdraft from the Council’s current bankers, in accordance with the Treasury Management Strategy and any other relevant Council budgetary policy, subject to annual review by the bank and the Relevant Cabinet Member;</p> <p>(iii) to manage the investment of the funds of the Council but not in equities or any investment of a speculative nature;</p> <p>(iv) to implement and monitor a treasury management policy statement setting out the matters detailed in CIPFA’s Code of Practice on Treasury Management in Local Authorities;</p> <p>(v) to have control of all money in the hands of the Council and to manage the Council’s banking arrangements;</p>	<p>Relevant Cabinet Member</p>	<p>In the event of the Director of Finance and Performance wishing to depart in any material respect from the main principles of CIPFA’s Code of Practice, the reasons should be disclosed in a report to Cabinet.</p>

**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
C	<p>(vi) to report, at or before the start of the financial year, to the Cabinet on the strategy for treasury management it is proposed to adopt for the coming financial year;</p> <p>(vii) to take all executive decisions on borrowing, investment or financing and to act in accordance with CIPFA’s Code of Practice on Treasury Management in Local Authorities; and</p> <p>(viii) to report to the Cabinet not less than twice in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers. One such report shall comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.</p> <p>(ix) quarterly reporting to the Audit Committees on treasury management activities and performance.</p>		<p>In the event of the Director of Finance and Performance wishing to depart in any material respect from the main principles of CIPFA’s Code of Practice, the reasons should be disclosed in a report to Cabinet.</p>
C43.	<p>To deal with all matters relating to the Council's insurances including without limitation:</p> <p>(i) the authorisation of the payment of increased premiums as necessary, subject to any general direction of the Cabinet or the Council, and to a report being made to the Cabinet upon the matter of insurance generally from time to time;</p> <p>(ii) the making of payments into the insurance fund.</p>		

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No	Function	Consultation	Limitation
	(iii) the making of payments in respect of any claims where the Council’s insurers may be involved.		
C44.	<p>To administer the functions of the Council under the Local Government and Finance Act 1992 and regulations made thereunder in connection with the collection and enforcement of the Council Tax including, without limitation, the Council's functions regarding:</p> <p>(i) determinations as to persons to be disregarded for the purposes of discount under Section 11(5) and Schedule 1 to the Act;</p> <p>(ii) the administration etc of the Council Tax under regulations made pursuant to Section 14(1) and Schedule 2 to the Act;</p> <p>(iii) the imposition of penalties under Section 14(2) and Schedule 3 to the Act;</p> <p>(iv) the enforcement of the Council Tax under regulations made pursuant to Section 14(3) and Schedule 4 to the Act;</p> <p>(v) the administration of and making determinations under legislation relating to Council Tax benefits and reductions; and</p> <p>(vi) the authorisation of officers to levy distress on behalf of the Council pursuant to regulation 45 of the Council</p>		

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No	Function	Consultation	Limitation
	Tax (Administration and Enforcement) Regulations 1992		
C45.	To invest available funds on appropriate terms and in accordance with the Council’s investment strategy.		
C46.	Where annual contributions have been made to specific reserves for either repairs and maintenance to land and buildings and facilities or replacement of equipment, vehicles, plant and transport, to incur the expenditure, subject to there being sufficient funds available to meet the expenditure.		
C47.	With the approval of the Chief Executive, to roll forward specified amounts within the revenue budget between financial years where it has not been possible to incur the expenditure within the approved financial year and where the appropriate budget is not overspent and the purpose of the expenditure is to remain the same. Any amounts rolled forward shall be reported to the next meeting of the Cabinet.		
C48.	To administer the Council’s functions in relation to the collection of non-domestic rates in accordance with the Local Government Act 1988 and all relevant regulations made thereunder.		
C49.	To exercise determinations, discretionary powers and all functions contained under the Social Security and Housing Benefit Act 1982 including any regulations and amendments thereto and any subsequent relevant legislation.		
C50.	To maintain an adequate and effective Internal Audit		

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No	Function	Consultation	Limitation
	Service and to be responsible for staff engaged in financial and key business plan target performance management work		
C51.	To make payment of any sums due from the Council.		
C52.	To make repayments to the Council's Pension Fund from those reserves earmarked for pension's contribution.		
C53.	To write off debts in accordance with the Council's Financial Procedure Rules.		
C54.	To investigate and report upon any allegations of fraud or dishonesty.		
C55	For the purposes of the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and associated codes of practice, to perform all functions required of the Council's RIPA Monitoring Officer.	HLS in his/her capacity as Senior Responsible Officer for the Council's functions under RIPA 2000 and the IPA 2016	
C56	Functions relating to: (i) preparation and updating of the Medium Term Financial Strategy (ii) preparation of the Councils' annual budget proposal for consideration by Cabinet		

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No	Function	Consultation	Limitation
	(iii) invoicing of debtors (iv) preparation of proposed fees and charges for consideration by Licensing Committee and Cabinet (v) calculation of Council Tax Base and setting of precepts (vi) responsibility for financial reporting including the preparation of annual report and accounts relating to both Councils and their trading companies (vii) the financing of the Capital Programme; (viii) any other services allocated to the Director of Finance and Performance by the Chief Executive. (ix) quarterly reporting to Cabinet and audit committees on revenue and capital budget performance and forecast		

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**Director of Regeneration and Planning:**

No	Function	Consultation	Limitation
	To carry out the functions at C57 to C65 (Planning and Trees) in accordance with the Agency Agreement with the South Downs National Park Authority in respect of the Lewes District Council Area within the South Downs National Park.		
	<b>Planning</b>		
C57. C	To determine applications for planning permission, to vary planning permission, listed building consent, express consent to display advertisements,		The delegation shall not be exercised in relation to: a) applications for development which significantly

**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
	<p>hazardous substances consent and footpath diversions pursuant to the Planning Acts, including:</p> <p>i) development specified in the GPDO where express planning permission is required by reason of limitations or conditions by that order;</p> <p>ii) determinations in connection with prior notification procedure under the GPDO;</p> <p>iii) in accordance with an agency agreement with the South Downs National Park Authority, applications and other matters in that part of the South Downs National Park within the Lewes district area; and</p> <p>(iv) reserved matters as defined in article 2 of the Town and Country Planning (Development Management Procedure (England) Order 2015.</p>		<p>conflicts materially with adopted policy, unless to refuse.</p> <p>b) applications requiring the Secretary of State to be notified under the Town and Country (Development Plans and Consultations)(Departures) Direction 2009, unless to refuse.</p> <p>c) applications materially affecting ancient monuments, and sites of special scientific interest, unless to refuse.</p> <p>d) where the application has been made by an elected member (or their spouse/partner) of the Council; or any direct employee (or their spouse/partner) of Lewes District Council or Eastbourne Borough Council.</p> <p>e) where the Senior Specialist Advisor dealing with the matter considers that the application should be dealt with by the Committee.</p> <p>f) where a member of the Council not more than 28 days after the validation of an application requests the matter be determined by committee and that this request is based on material planning grounds and in the view of the Senior Specialist Advisor has the potential to lead to a substantive/sustainable reason(s) for refusal.</p> <p>g) where a town or parish council in the Lewes district submits an objection (or comments in support, contrary to the officer’s recommendation) within any notification</p>

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(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
			<p>period relating to the application, unless the objection or comment in support is not, in the opinion of the officer, reasonable or sufficient in planning terms to justify a referral to committee, in which case officer’s reasons will be recorded.</p> <p>h) where a substantial number of objections have been received on material planning grounds and in the view of the Senior Specialist Advisor have the potential to lead to a substantive/sustainable reason(s) for refusal and these objections are in opposition (contrary) to the officer’s recommendation.</p>
C58. C	To negotiate the terms of and authorise section 106 planning obligations, to include applications to vary existing obligations and to determine all requests for approval made pursuant to these obligations.		Unless a Member of the Council not more than 28 days after the validation of an application to vary an existing section 106 obligation requests the matter be determined by committee and that this request is formed by material planning grounds and in the view of the Senior Specialist Advisor have the potential to lead to a substantive/sustainable reason(s) for refusal.
C59. C	To discharge applications for consent pursuant to the conditions and limitations imposed under the Planning Acts.		
C60. C	To determine applications for lawful development certificates (TCPA, sections 191 and 192).	HLS in respect of section 191 applications (existing use)	



**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
C61. C	To give, make and confirm any order or direction under the Planning Acts.	HLS	
C62. C	To issue, serve, modify and withdraw any notice under the Planning Acts, to include all types of planning enforcement activity and to carry out works in default.	HLS in respect of enforcement notices and temporary stop notices	
C63. C	The issue and service of a requisition for information on planning matters under the Local Government (Miscellaneous Provisions) Act 1976		
	<b>Trees</b>		
C64. C	To make and confirm Tree Preservation Orders with or without modification (and associated applications for consent for works) and to deal with notification of works to trees in conservation areas.		Not to confirm Tree Preservation Orders if there are any objections, unless the objection(s) are not based on valid planning grounds and in the view of the Senior Specialist Advisor in consultation with the Chair of Planning Committee do not have the potential to lead to a substantive/sustainable reason(s) not to confirm the Order.
C65. C	To determine applications and to take any action under the Anti-Social Behaviour Act (2003) Part 8 (High Hedges).		
	<b>Planning Policy</b>		
C66. C	To determine the Council’s stance in respect of and respond to consultation and opinions sought concerning cross boundary and neighbouring authority planning matters, and ESCC and the South	Chair of Planning Committee	

## Appendix 1

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation
	Downs National Park Authority planning applications.		
C67. C	To exercise all powers and duties under the Community Infrastructure Levy regulations, to include the determination of any applications for discretionary or exceptional circumstances relief from liability.		
	<b>Building Control</b>		
C68. C	To issue, serve, modify and withdraw any notice under the Building Act 1984, including in respect of ruinous and dilapidated buildings and neglected sites (section 79).		
	<b>Other Regulatory Functions</b>		
C69. C	All matters relating to the Planning (Hazardous Substances) Act 1990.		
C70. C	To issue and serve notices and take any further regulatory action where required, including enforcement in consultation with the HLS, under planning, environmental and other relevant legislation applicable to the Council as local planning authority.		Action must have regard to the Council's Regulatory Services Enforcement Policy

**Appendix 1**

(Date of draft: 15.08.23 – clean)

C71.	<b>To exercise the Council’s powers in respect of water supply, sewerage and drainage, including land drainage.</b>		
C72.	All matters relating to the naming and numbering of streets.	Relevant Cabinet Member and Ward Cllrs	
C73. C	To exercise the Council’s powers affecting the design or maintenance of highways.		
C74.	All matters relating to coastal and dredging licence applications.		Such development must be permitted by a General Permitted Development Order or have been granted planning permission.
C75.	To maintain, in partnership with the Chief Executive, the parks, pleasure grounds, gardens, open spaces, commons, recreational facilities, museums, galleries, nature reserves and allotments within the Council’s control.		
C76.	All matters relating to on and off-street parking.	Relevant Cabinet Member	
C77.	To manage the improvement, refurbishment and maintenance of the Council’s non-housing property portfolio where not specifically the responsibility of other officers, this to include all tasks related to new build provision.		

**Appendix 1**

(Date of draft: 15.08.23 – clean)

C78.	To acquire land in connection with the Council's functions and to grant and/or modify leases, easements, licences and way-leaves of, in, or over buildings or land in connection with the Council's functions.		
C79.	To dispose of land in connection with the Council's functions and to grant and/or modify leases, easements, licences and way-leaves of, in, or over buildings or land in connection with the Council's functions.		
C80.	To vary the terms and conditions of, or negotiate the surrender of, leases and licences.		
C81.	To determine as landowner or landlord applications for licences, consents and permissions in respect of the Council's buildings or land.		
C82.	To determine asset of community value nominations and/or applications for compensation, pursuant to sections 87 to 108 of the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012; and to review successful nominations on receipt of a valid request made under section 92 of the Act.		

**Appendix 1**

(Date of draft: 15.08.23 – clean)

**Head of Legal Services:**

No	Function	Consultation	Limitation	Also delegated to
C83.	Legal Proceedings: a) To determine what, if any legal action should be taken following any investigation into a criminal matter. b) To institute, prosecute or terminate any proceedings which the Council is empowered to undertake in or before any Court, Tribunal, Inquiry or by way of Fixed Penalty Notice. c) To defend or settle any proceedings brought against the Council. d) To take any action incidental or inclusive to or which would facilitate any action under this paragraph, including instruction of Counsel and appearance in any Court, or any Inquiry, Tribunal or other forum on behalf of the Council. e) To advise the relevant Chief Officer who is contemplating administering a formal caution to a person that has admitted an offence. f) To determine whether or not any legal proceedings should be taken in any particular case or set of circumstances.		Except in relation to Health & Safety at Work in relation to a), b), c) and f).	
C84.	To appoint and instruct external legal service providers where necessary, by reason of technical or specialist competence, rights of audience, resource availability or otherwise.			
C85.	To settle any claims where the Council’s Insurers may be involved.	DFP		

## Appendix 1

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation	Also delegated to
C86.	To negotiate and enter into planning or other agreements regulating or controlling the use of development of land.			
C87.	To make minor amendments in planning or other agreements regulating or controlling the use or development of land.			
C88.	To issue, serve, modify, or withdraw any enforcement action or notices under the Planning Acts, the Building Acts, the Environmental Protection Acts and any other such regulatory legislation enforced by the Council.			
C89.	To carry out or authorise the carrying out of works in default under any statutory provisions including but not limited to notices concerning ruinous and dilapidated buildings and neglected sites (Building Act 1984, Section 79).			
C90.	To give, make and confirm any Order or Direction under the Planning Acts including Tree Preservation Orders (and associated applications for consent for works) and notification of works to trees in conservation areas.		Not to confirm if there are any objections	
C91.	To seal any document.	Relevant CO		
C92.	To negotiate and agree the terms of any contract.			
C93.	To sign any contract on behalf of the Council.			
C94.	To authorise the attendance of officers at Court under any statutory provision.			

## Appendix 1

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation	Also delegated to
C95.	To authorise service of any statutory requisition for information as to interests in land.			
C96.	To execute any legal document on behalf of the Council.			
C97.	All matters relating to consultations with Sussex Police and other bodies in relation to anti-social behaviour.			
C98.	All matters relating to the consecration of land.			
C99.	To issue, serve, suspend or withdraw any notices in respect of any matter for which the Council has power to act.			
C100.	To carry out any and all functions of Senior Responsible Officer in connection with Part 2 of the Regulation of Investigatory Powers Act 2000, Part 3 of the Investigatory Powers Act 2016 and any related secondary legislation, as specified by the codes of practice issued under those Acts.			
C101.	To exercise the following functions for the management and administration of assets of community value (ACV) pursuant to Part 5, chapter 3, of the Localism Act 2011 and associated secondary legislation: <ol style="list-style-type: none"> <li>1. to conduct reviews of the Council’s decisions to include land/buildings in the Council’s ACV list;</li> <li>2. to conduct reviews of the Council’s decisions in respect of ACV owners’ claims for compensation; and</li> </ol>			

**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation	Also delegated to
	to put in place all necessary procedures and processes to support the functions numbered 1 and 2 above.			
C102.	To take all and any measures necessary to exercise high standards of client care, regulatory compliance relevant to the solicitors profession, and practice management, whether by applying for and maintaining a recognised legal practice mark such as Lexcel or by adopting equivalent standards.			
C103.	To formulate and implement a general undertakings policy and an undertakings policy for property transactions, to enable legally qualified members of the Legal Practice to give undertakings on behalf of the Council in appropriate circumstances and subject to any limitations or other controls set out in the policies.			

**Monitoring Officer (MO):**

No	Function	Consultation	Limitation	Also delegated to
C104.	Pursuant to sections 28(6) and (7) of the Localism Act 2011, to decide, in relation to members of the Council and members of town and parish councils in the Lewes district, whether to investigate allegations that a member has failed to comply with the Code of Conduct.	Independent Persons appointed by the Council.		
C105.	Establish, maintain and publish the register of interests in accordance section 29(1) of the Localism Act 2011.			



**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Function	Consultation	Limitation	Also delegated to
C106.	To grant dispensations for relief of interest restrictions	Independent Persons appointed by the Council if appropriate.		

**D Proper and/or Authorised Officer Functions**

No	Act	Function	Officer	Deputy
D1.	All legislation prior to 1 <sup>st</sup> April 1972	Proper Officer in relation to references to Treasurer	DFP	Deputy DFP
D2.	All legislation prior to 1 <sup>st</sup> April 1972	Proper Officer in relation to declarations and certificates with regard to securities	DFP	Deputy DFP

**Local Government Act 1972:**

No	Act	Function	Officer	Deputy
D3.	Section 83(3)	Declarations of acceptance of office of Councillors	CE	HDS
D4	Section 84(1)(a)	Receipt of resignations of Councillors	CE	HDS
D5.	Section 88(2)	Convene a meeting of the Council to fill a vacancy of Chair of the Council	CE	HDS
D6.	Section 89(1)(b)	Receive from electors Notices of Casual Vacancies of Councillors	CE	HES
D7.	Section 100B(2)	Excluding from the public reports which are not likely to be considered in open session	HLS	HDS

**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Act	Function	Officer	Deputy
D8.	Section 100C(2)	Where part or the whole of the report has been exempt the Proper Officer shall make a written summary of the proceedings or a part to provide a record without disclosing the exempt information	HLS / HDS	
D9.	Section 100D	Compilation of list of background documents	Director or actual author of report for Director	
D10.	Section 100F(2)	Deciding whether documents for inspection contain exempt information under relevant paragraph of Schedule 12A which is not required to be open to inspection by Members of the Council	HLS / HDS	
D11.	Section 115(2)	For receipt of monies due to the Council from Officers	DFP	
D12.	Section 146(1)(a)	Statutory Declaration regarding change of name of the Authority in connection with the Companies Act 2006.	HLS	
D13.	Section 191(2)	Applications under the Ordnance Survey Act 1841	DSD	
D14.	Section 210	In respect of powers with regard to charities	HLS	
D15.	Section 225	Deposit of documents in accordance with Standing Orders of either House of Parliament, Enactment or Statutory Instrument	HLS	
D16.	Section 229	To certify photographic copies of documents to be a true copy.	HLS	
D17.	Section 234	To sign notices, orders or other documents authorised or required by or under any enactment.	HLS	
D18.	Section 236	To send copies of Byelaws to any parish and/or community	HLS	

**Appendix 1***(Date of draft: 15.08.23 – clean)*

No	Act	Function	Officer	Deputy
		councils to which it applies		
D19.	Section 238	Certification of printed copies of Byelaws	HLS	
D20.	Section 248	To keep roll of persons admitted to the Freedom of the Borough	CE	HDS
D21.	Parts IV and Schedule 12	Signing and serving of summonses to attend meetings of the Council.	CE	HDS
D22.	Schedule 14 Paragraph 25(7)	To certify copies of resolutions applying or disapplying provisions of the Public Health Act 1875 to 1925	HLS	

**Local Government Miscellaneous Provisions Act 1976:**

No	Act	Function	Officer	Deputy
D23.	Section 41	To certify copies of resolutions, orders, reports or minutes of the Council or any predecessor authority	CE	HLS

**Local Government & Housing Act 1989:**

No	Act	Function	Officer	Deputy
D24.	Section 2	To receive a list of politically restricted posts	CE	Deputy CE
D25.	Section 4	Designation as Head of Paid Service	CE	Deputy CE
D26.	Section 5	Designation as Monitoring Officer	HDS	HLS

**Appendix 1***(Date of draft: 15.08.23 – clean)***Representation of the People Act 1983:**

No	Act	Function	Officer	Deputy
D27.	Sections 8 and 52	Appointed as Electoral Registration Officer (s.8). Power to appoint Deputy Registration Officer (s. 52)	CE	HES
D28.	Section 35	Returning Officer at District Elections	CE (appointed by the Council when post-holder changes)	HES
D29.	Sections 82 and 89	To receive declaration of election expenses and holding of documents for public inspection	CE	DCE

**Local Government (Committees and Political Groups) Regulations 1990:**

No	Act	Function	Officer	Deputy
D30.	Regulation 8	Receipt of Notice of Political Groups	CE	DCE
D31.	Regulation 10	Receipt of Notice of cessation of membership of Political Group	CE	DCE
D33.	Regulation 13	To accept wishes of Political Groups in respect of proportionality	CE	DCE
D34.	Regulation 14	To notify Political Groups of allocations	CE	DCE

**Local Government Act 1974:**

No	Act	Function	Officer	Deputy
D35.	Part 3	Local Government Ombudsman	CE	HLS

## Appendix 1

(Date of draft: 15.08.23 – clean)

### Local Authorities (Referendum) (Petitions and Directions) Regulations 2000:

No	Act	Function	Officer	Deputy
D36.	Whole	Proper Officer function	CE	HLS / HES

### Local Authorities (Conduct of Referendums) (England) Regulations 2007:

No	Act	Function	Officer	Deputy
D37.	Whole	Proper Officer function	CE	DCE / HES

### Public Health Act 1936

No	Act	Function	Officer	Deputy
D38.	Section 79	Removal of noxious matter	DSD	
D39.	Section 84	Verminous Articles	DSD	
D40.	Section 85	Verminous People	DSD	

### National Assistance Act 1948:

No	Act	Function	Officer	Deputy
D41.	Section 47	Removal of people in need	DSD	Officers of Health Authority etc authorised under S 113 (1A) of the Local Gov Act 1972

## Appendix 1

(Date of draft: 15.08.23 – clean)

### Public Health Act 1961:

No	Act	Function	Officer	Deputy
D42.	Section 37	Verminous Articles	DSD	

### Public Health (Control of Disease) Act 1984

No	Act	Function	Officer	Deputy
D43.	Whole Act	Infectious Diseases and Dead Bodies	DSD	

### Public Health (Infectious Diseases) Regulations 1988

No	Act	Function	Officer	Deputy
D44.	All	Infectious Diseases	DSD	

### Food Safety Act 1990

No	Act	Function	Officer	Deputy
D45.	All	Food Safety	DSD	

### Any other legislative provisions for which arrangements are not specifically made under this Scheme of Delegations:

No	Act	Function	Officer	Deputy
D46.	All	Proper/Authorised etc. Officer functions or similar	CE	DCE

(Date of draft: 15.08.23 – clean)

## **E Specific authorisations for Court**

### **E1 Officers authorised to represent the Council in Court etc:**

- A. Every solicitor, barrister or legal executive employed or engaged by the Council shall be authorised to appear on its behalf before any Court, Tribunal or other Hearing before which they have a Right of Audience and to exercise the powers given by the relevant professional body.
- B. The following post holders are authorised to appear on behalf of the Council and to conduct proceedings in court and these are additional to the powers delegated by the Scheme of Delegation to Officers and the rights to appear in Court given to solicitors, barristers and legal executives:
- a. pursuant to the Local Government Act 1972 section 223 and the County Courts Act 1984 section 60 (in respect of possession matters) and for any purpose for which the Council is empowered to authorise Officers to appear on its behalf:
    - (i) Legal Assistants
    - (ii) Trainee Solicitors
    - (iii) Other suitably experienced and/or qualified Officers specifically authorised in writing so to appear by the Head of Legal Services.
  - b. pursuant to the Local Government Act 1972 section 223 in respect of rating or council tax matters:
    - (i) The Director of Service Delivery
    - (ii) Officers of the Council authorised in writing so to appear by the Director of Service Delivery
  - c. pursuant to Part I of the Health and Safety at Work etc Act 1974
    - (i) Director of Service Delivery
    - (ii) Officers of the Council so authorised in writing to appear by the Director of Service Delivery and/or in accordance with the legislation.
  - d. pursuant to the Insolvency Rules 1986 Part 9 (examination of persons concerning company and individual insolvency)
    - (i) The Director of Service Delivery
    - (ii) Officers of the Council so authorised in writing to appear by the Director of Service Delivery

(Date of draft: 15.08.23 – clean)

## **F Authorisation to enter land or premises**

### **F1 General:**

- a. This authorisation authorises those Officers named in paragraphs F2-7 to enter land or premises for or in connection with their duties and pursuant to the functions mentioned.
- b. The authority to enter land or premises shall be exercisable subject to any statutory constraints.
- c. A reference to any Act shall include reference to any amendment or re-enactment and any subordinate legislation.
- d. In the event that a post ceases to exist or the name of the post is changed or the responsibilities of that post are transferred to another post temporarily or permanently then the authority given by this authorisation shall be exercisable by the officer in whose area of responsibility the previous responsibilities now reside.
- e. The right to enter given by paragraphs 2-7 below shall extend to the exercise of the power to make inspections, to provide samples and to examine and seize goods as and if appropriate.
- f. A person authorised to enter land may take with him or her or such other persons and equipment as may be necessary.
- g. This authorisation entitles the person authorised to enter land to seek a warrant to enter.
- h. The authorisation of an Officer to enter land shall be taken as this appointment of that Officer among other things for that purpose.

### **F2 All purposes:**

- a. Chief Executive
- b. Deputy Chief Executive
- c. Directors
- d. Director of Finance and Performance
- e. Operational Lead – Emergency Planning



**Appendix 1**

(Date of draft: 15.08.23 – clean)

**F3 Environmental Health, Housing etc**

The following are authorised to enter land or premises for the following function:

No	Function	Officer	Deputy
a.	Animal Welfare and Control	Director of Service Delivery and Director of Regeneration & Planning and such other Officers as shall be delegated to in writing by them from time to time	
b.	Caravan Sites	Director of Service Delivery and Director of Regeneration & Planning and such other Officers as shall be delegated to in writing by them from time to time	
c.	Environmental Protection	Director of Service Delivery and Director of Regeneration & Planning and such other Officers as shall be delegated to in writing by them from time to time	
d.	Food Safety and Hygiene	Director of Service Delivery and Director of Regeneration & Planning and such other Officers as shall be delegated to in writing by them from time to time	
e.	Health and Safety at Work	Director of Service Delivery and Director of Regeneration & Planning and such other Officers as shall be delegated to in writing by them from time to time	
f.	Housing	Director of Service Delivery and Director of Regeneration & Planning and such other Officers as shall be delegated to in writing by them from time to time.	
g.	Licensing Act 2003		
h.	Pest Control		
i.	Public Health		
j.	Public Safety		
k.	Scrap Metal Dealers		
l.	Shop Acts		
m.	Street Trading		
n.	Sunday Trading		
o.	Public Health		

**Appendix 1**

(Date of draft: 15.08.23 – clean)

No	Function	Officer	Deputy
p.	Environmental Protection		
q.	Gambling Act 2005		
r.	Street Closures		
s.	Cremations and Burials		

**F4 Planning**

The following are authorised to enter land or premises for the following function:

No	Function	Officer	Deputy
a.	The Town and Country Planning Act 1990, Sections 178, 196A, 196B, 214B, 214C, 324 and 325A	Director of Regeneration and Planning and such other Officers as shall be delegated to in writing by him/her from time to time	
aa	Order made under the Plant Health Act 1967, including but not limited to those relating to Dutch Elm Disease	Director of Regeneration and Planning and such other Officers as shall be delegated to in writing by him/her from time to time	
b.	Planning (Listed Buildings and Conservation Areas) Act 1990, Section 88 and 88A	Director of Regeneration and Planning and such Officers as may be delegated to in writing by him/her from time to time	
c.	Planning (Hazardous Substances) Act 1990, Section 36, 36A, 36B and 36C	Director of Regeneration and Planning and such Officers as may be delegated to in writing by him/her from time to time	
d.	Anti-Social Behaviour Act 2003, Part 8, sections 74 and 77(5)	Director of Regeneration and Planning and such Officers as may be delegated to in writing by him/her from time to time	
e.	Local Government (Miscellaneous Provisions) Act 1976, sections 23 and 24	Director of Regeneration and Planning and such other Officers as shall be delegated to in writing by him/her from time to time.	
f.	Hedgerows Regulations 1997, regulations 12 and 13	Director of Regeneration and Planning and such other Officers as shall be delegated to in writing by him/her from time to time.	

**Appendix 1***(Date of draft: 15.08.23 – clean)*

No	Function	Officer	Deputy
g.	Community Infrastructure Levy Regulations 2010, regulation 109	Director of Regeneration and Planning and such other Officers as shall be delegated to in writing by him/her from time to time.	

**F5 Building Control**

The following are authorised to enter land or premises pursuant to the following power:

No	Function	Officer	Deputy
a.	Building Act 1984, section 95	The Director of Regeneration and Planning and such Officers as may be delegated to in writing by him/her from time to time.	

**F6 Local Taxation**

The following are authorised to enter land or premises pursuant to the following power:

No	Function	Officer	Deputy
a.	Collection of Local Taxes	The Director of Service Delivery and such Officers as may be delegated to in writing by him/her from time to time	

**F7 Land Drainage and Sewerage Undertaking**

The following are authorised to enter land or premises pursuant to the following function:

No	Function	Officer	Deputy
a.	Water Industry Act 1991	The Director of Service Delivery and Director of Regeneration and Planning and such Officers as may be delegated to in writing by them from time to time.	
b.	Land Drainage Act 1991	The Director of Service Delivery and Director of Regeneration and Planning and such Officers as may be delegated to in writing by them from time to time.	

**Appendix 1**

*(Date of draft: 15.08.23 – clean)*

**ANNEX A**

**Chief Officers’ and Monitoring Officer’s areas of responsibility:**

<b>Chief Executive (and Head of Paid Service)</b>	<i>Strategic leadership and the delivery of quality services. Legal and Democratic Services, Member Services, devolution and governance.</i>
<b>Director of Service Delivery</b>	<i>Service delivery, including but not limited to Customer First, Neighbourhood First, Environment First, Homes First, bereavement services and waste services.</i>
<b>Director of Regeneration &amp; Planning</b>	<i>Planning First (planning policy and development control), property development, regeneration, energy and sustainability, Corporate Plan, procurement, asset management, strategic partnerships, voluntary sector, community engagement, community safety, community grants, youth strategy and equality.</i>
<b>Director of Tourism, Culture and Organisational Development</b>	<i>Human Resources, organisational development, Chief Executive’s Office, internal and external communications, information and communications technology (ICT), business improvement and transformation, information management, and civil contingencies. Tourism, events, marketing, sports, seafront and culture.</i>
<b>Director of Finance and Performance (Section 151 officer)</b>	<i>Accountancy, internal audit, counter-fraud, purchasing and payments, general income &amp; system support, business planning and performance.</i>
<b>Monitoring Officer</b>	<i>The assurance that all actions and decisions taken by the Officers and Members of the Council are lawful and that the interests of the Council are legally protected and enhanced. All arrangements related to the maintenance and promotion of high standards of conduct among Councillors and arrangements for dealing with complaints about Councillor conduct.</i>

<b>Report To:</b>	<b>Audit and Governance Committee</b>
<b>Date:</b>	<b>4 September 2023</b>
<b>Report Title:</b>	<b>Treasury Management</b>
<b>Report of:</b>	<b>Director of Finance and Performance (Chief Finance Officer - S151 Officer)</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To present details of recent Treasury Management activities.</b>
<b>Officer Recommendations:</b>	<b>The Committee is recommended to note the report of the Director of Finance and Performance and the assurances contained within and agree that Treasury Management Activities for the period April to June 2023 have been in accordance with the approved Treasury Strategies.</b>
<b>Reasons for recommendations:</b>	<b>Requirement of CIPFA Treasury Management in the Public Sector Code of Practice (the Code) and this has to be reported to Full Council.</b>
<b>Contact Officer(s):</b>	<b>Name: Ross Sutton Post title: Head of Financial Reporting E-mail: <a href="mailto:ross.sutton@lewes-eastbourne.gov.uk">ross.sutton@lewes-eastbourne.gov.uk</a> Telephone number: 07591 988346</b>

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## 1. Introduction

- 1.1 The Council's approved Treasury Strategy Statement requires the Audit and Governance Committee to review details of Treasury Strategy transactions against the criteria set out in the Strategy and make observations to Cabinet as appropriate.
- 1.2 The Treasury Strategy Statement also requires the Audit and Governance Committee to review a formal summary report detailing the recent Treasury Management activity before it is considered by Council, in accordance with best practice and guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit & Governance Committee before they were reported to the Full Council.
- 1.4 Treasury Management is an integral part of the Council's overall finances and the performance of this area is very important. Whilst individual years obviously matter, performance is best viewed on a medium / long term basis. The action taken in respect of the debt portfolio in recent years has been extremely beneficial and has resulted in savings. Short term gains might, on occasions, be sacrificed for longer term certainty and stability.

1.5 The criteria for lending to Banks are derived from the list of approved counter parties provided by the Council’s Treasury Management advisors, Link Asset Services. The list is amended to reduce the risk to the Council by removing the lowest rated counterparties and reducing the maximum loan duration.

## 2. Economic Background

2.1 As expected, the Bank of England’s Monetary Policy Committee continue to increase the Bank Rate and a detailed economic commentary on developments during period ended 30 June 2023 is attached as **Appendix A**.

## 3. Interest Rate Forecast

3.1 The Council appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

3.2 The latest forecast (made on 26<sup>th</sup> June), sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, against a backdrop of a stubbornly robust economy and a tight labour market.

3.3 The forecasts have steadily increased during the quarter as the data continued to spring upside surprises, and the Bank of England continued to under-estimate how prevalent inflation is, and how tight the labour market is. The Government has also noted that despite immigration increasing markedly, high levels of ill-health amongst the workforce has led to wage demands remaining strong until such time as there is a loosening in demand for business services.

3.4 Link’s forecast of bank rate and PWLB borrowing rates are set out below.

Link Group Interest Rate View 26.06.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
<b>BANK RATE</b>	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

### Note

- 1) LIBOR and LIBID rates ceased at the end of 2021. In a continuation of previous views, money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- 2) The Link forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

## 4. Annual Investment Strategy

- 4.1 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes in December 2021. These define treasury management investments as investments that arise from the organisation’s cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 4.2 The Treasury Management Strategy Statement (TMSS) for 2023/24 which includes the Annual Investment strategy (AIS), was approved by the Full Council on 20 February 2023. It sets out the Council’s investment priorities as being:
- Security (of Capital);
  - Liquidity;
  - Yield.
- 4.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council’s risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.
- 4.4 As per the interest rate forecasts in section 3 above, investment rates have improved dramatically during the first quarter of 2023/24 and are expected to improve further as Bank Rate continues to increase over the next few months.
- 4.5 There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.
- 4.6 Approved limits within the Annual Investment Strategy were not breached during the period ending 30 June 2023, except for the balance held with Lloyds Bank, which exceeded the £5m limit for 3 days during the period.

## 5. Treasury Management Activity

- 5.1 The timetable for reporting Treasury Management activity in 2023/24 is shown in the table below. This takes into account the timescale for the publication of each Committee agenda and is on the basis that it is preferable to report on activity for complete months. Any extraordinary activity taking place between the close of the reporting period and the date of the Audit and Governance Committee meeting will be reported verbally at that meeting.

Meeting date	Reporting period for transactions
3 July 2023	2022/23 Annual Report (up to 31 March 2023)
4 September 2023	1 April to 30 June 2023

13 November 2023	1 July to 30 September 2023
January 2024	1 October to 31 December 2023
March 2024	1 January to 28 February 2024

## 5.2 Fixed Term Deposits pending maturity

The following table shows the fixed term deposits held at 30 June 2023 and identifies the long-term credit rating of counterparties at the date of investment. It is important to note that credit ratings are only one of the criteria that are taken into account when determining whether a potential counterparty is suitable. All the deposits met the necessary criteria, the minimum rating required for deposits made in terms of long-term A- (Fitch).

Counterparty	Date From	Date To	Days	Principal £'000	Int Rate %	Long-term Rating
Standard Chartered - Sustainable	17/04/23	17/07/23	91	5,000	4.39%	A+
Bayerische Landesbank	15/06/23	15/08/23	61	5,000	4.77%	A-

## 5.3 Fixed Term Deposits which have matured in the reporting period

The table below shows the fixed term deposits which have matured between 1 April to 30 June 2023 in maturity date order. It is important to note that the table includes sums reinvested.

Counterparty	Date From	Date To	Days	Principal £'000	Int Rate %	Long-term Rating
Standard Chartered - Sustainable	03/03/23	03/04/23	31	5,000	3.80%	A+
Debt Management Office (DMO)	30/03/23	06/04/23	7	1,000	4.05%	*
DMO	03/04/23	12/04/23	9	5,000	4.05%	*
DMO	06/04/23	12/04/23	6	2,000	4.05%	*
Bayerische Landesbank	30/03/23	13/04/23	14	5,000	4.07%	A-
Standard Chartered - Sustainable	03/04/23	17/04/23	14	5,000	4.05%	A+
Bayerische Landesbank	13/04/23	15/05/23	32	5,000	4.09%	A-
DMO	02/05/23	22/05/23	20	7,000	4.20%	*
DMO	17/04/23	23/05/23	36	2,000	4.14%	*
DMO	15/05/23	23/05/23	8	2,000	4.38%	*
Bayerische Landesbank	15/05/23	15/06/23	31	5,000	4.29%	A-
DMO	15/06/23	19/06/23	4	2,300	4.38%	*
DMO	01/06/23	28/06/23	27	6,700	4.44%	*
DMO	24/05/23	29/06/23	36	2,000	4.43%	*

\* UK Government body and therefore not subject to credit rating

The weighted average rate of interest earned on deposits held in the period 1 April to 30 June 2023 was 4.35%, which was below the average bank base rate for the period of 4.65%.

## 5.4 Use of Deposit accounts



In addition to the fixed term deposits, the Council has made use of the following interest-bearing accounts in the period covered by this report, with the average amount held being £2.53m generating interest of £36k.

	Balance at 30/06/23 £'000	Average balance £'000	Current interest rate %
Santander Business Reserve Account	£5,000	£4,885	2.78%
Lloyds Bank Current Account	£3,126	£1,171	1.70%
Lloyds Bank Call Account	£10	£1,513	0.70%

## 5.5 Money Market Funds

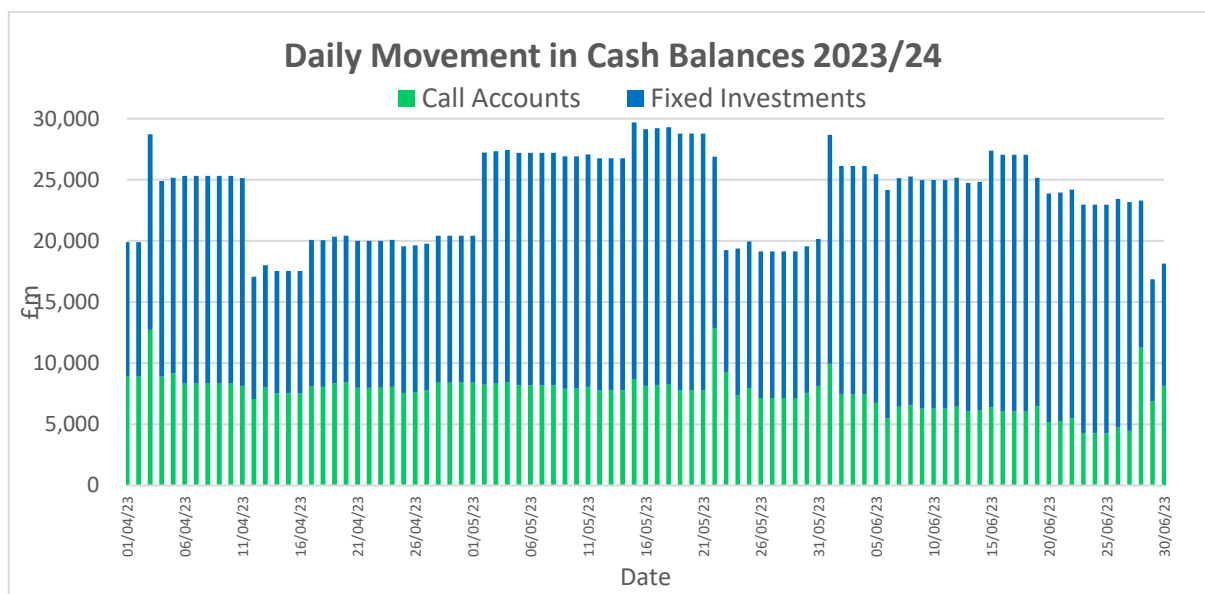
There were no funds Money Market Funds held at 30 June 2023, and there was no activity in the period.

## 5.6 Bond Funds, Multi-Asset Income Funds and Property Funds

There were no Short Dated Bond Funds, Multi-Asset Income Funds or Property Funds held at 30 June 2023, and there was no activity in the period.

## 6. Overall investment position

6.1 The chart below summarises the Council's investment position over the period 1 April to 30 June 2023. It shows the total sums invested each day split between Fixed Term investments and amounts held in Call accounts.



6.2 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6.3 During the Covid-19 pandemic with unexpected calls on cash flow, significant balances were held in call accounts which are highly liquid. Since then, more funds are being held as fixed term investments and less in call accounts.

## **7. Borrowing**

7.1 The current account with Lloyds Bank generally remained within credit limits throughout most of the period. The Council's long term borrowing at 30 June is £51.7m (£46.7m Public Works Loan Board (PWLB) and £5m Barclays loan). The General Fund has made internal loans of £24.2m to the Housing Revenue Account.

## **8. PWLB Rates**

8.1 Gilt yield curve movements have shifted upwards, especially at the shorter end of the yield curve since the previous forecast but remain relatively volatile. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.90% to 5.60%. The view is that markets have built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

8.2 Link's core debt management advice remains unaltered, to continue to reappraise any capital expenditure plans/profiles, and internally/temporarily borrow for any financing and re-financing. Only seek longer-dated debt if there is absolute certainty on the long-term rates and can conclude it is affordable, sustainable and prudent if funded at prevailing levels.

## **9. Debt Rescheduling**

9.1 Debt rescheduling opportunities have increased significantly in the current quarter where gilt yields, which underpin PWLB rates and market loans, have risen materially. The Council will be advised if there is value to be had by rescheduling or repaying a part of the debt portfolio. This is dependent on levels of investment balances. No debt rescheduling has currently been undertaken in the financial year.

## **10. Compliance with Treasury and Prudential Limits**

10.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs).

10.2 The table below shows the RAG status of the Treasury and Prudential Indicators comparing the Budget position to the Forecast for the year.

10.3 As at June 2023, all indicators have a green status with the exception of financing costs. The % of GF financing costs has increased as the GF pays interest on HRA balances. Average investment rates received will increase as base rates rise. The % of HRA financing costs has increased as the HRA pays interest on loans provided by the GF. The interest rate payable will increase as base rate and PWLB rates rise.

Treasury and Prudential Indicators	2023/24 Budget	2023/24 Forecast	RAG Status
Authorised limit for external debt	£166m	£166m	GREEN
Operational boundary for external debt	£151m	£151m	GREEN
Gross external debt	£55m	£52m	GREEN
Capital Financing Requirement	£131m	£131m	GREEN
Debt vs CFR under / (over) borrowing	(£76m)	(£79m)	GREEN
Investments (Average)	£22m	£22m	GREEN
Investment returns expectations	2.3%	4.0%	GREEN
Upper limit for principal sums invested for longer than 365 days	100%	100%	GREEN
<b>Maturity structure of fixed rate borrowing - upper limits:</b>			
Under 12 months	25%	25%	GREEN
12 months to 2 years	40%	40%	GREEN
2 years to 5 years	50%	50%	GREEN
5 years to 10 years	75%	75%	GREEN
10 years and above	100%	100%	GREEN
<b>Capital Programme - see Appendix B</b>			
General Fund (GF)	£39.1m	£53.9m	GREEN
Housing Revenue Account (HRA)	£16.5m	£20.5m	GREEN
Commercial Activities / non- financial investments	£13.5m	£15.1m	GREEN
<b>Financing costs:</b>			
Proportion of GF Financing Costs to Net Revenue Stream	6.7%	7.8%	AMBER
Proportion of HRA Financing Costs to Rental Income	11.4%	13.9%	AMBER
<b>Commercial and Service investments</b>			
Proportion of net income from commercial and service investments to net revenue stream	11.6%	11.6%	GREEN

## 11. Revisions to CIPFA Codes

11.1 CIPFA published revised Prudential and Treasury Management Codes in December 2021. The main changes from the previous codes were:

- Additional reporting requirements for the Capital Strategy.

- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the Authority's overall financial capacity.
- Forward looking prudential code indicators must be monitored and reported to members at least quarterly.
- A new indicator for net income from commercial and service investments to net revenue stream.
- Inclusion of the liability benchmark as a treasury management prudential indicator.
- Excluding investment income from the definition of financing costs.
- Credit and counterparty policies should set out the Authority's policy and practices relating to Environmental, Social and Governance (ESG) investment considerations.
- Additional focus on the knowledge and skills of officers and elected members involved in decision making.

11.2 The code changes came in with immediate effect, although detailed reporting requirements could be deferred until 2023/24. Some of the requirements were implemented in the previous financial year. Full compliance will be achieved and reported by Quarter 2.

## **12. Non-treasury investments**

### **12.1 Lewes Housing Investment Company**

Lewes Housing Investment Company (LHIC) is a wholly owned subsidiary of the Council. Incorporated in July 2017, LHIC was established to acquire, improve, and let residential property at market rents. Capital allocations would need to be approved as potential commercial loan funding to facilitate property purchases. No loans have been made to-date.

### **12.2 Aspiration Homes LLP**

Aspiration Homes LLP (AH) is a limited liability Partnership owned equally by Lewes District Council and Eastbourne Borough Council. Incorporated in June 2017, AH was established for the purpose of developing housing to be let at affordable rent. As at 31 March 2023, loans outstanding were £3.04m relating to two schemes (Grays School, Newhaven and Caburn Field, Lewes). In addition, £20k of working capital loans have been made. No loans have been made in quarter one of 2023/24.

## **13. Environmental, Social and Governance (ESG) Investment**

13.1 The Cabinet at its meeting on 2 February 2023 approved the 2023/24 Treasury Management and Investment Strategy, which include Non-Specified investments in Green Energy Bonds and/or other ESG products that met the Council's internal and external due diligence criteria.

13.2 While a wide range of ESG investments are currently limited, there are expectations to see more banks and funds providing specific products over the coming years. As this area continues to develop and become more prominent, the Council in conjunction with the treasury management advisor (Link Asset Services) will continue to monitor ESG investment opportunities within the parameters of the

Council's counterparty criteria and in compliance with the DLUHC Investment Guidance (i.e., prioritising security, liquidity before yield).

- 13.3 The Council holds a £5m deposit balance within the Standard Chartered Bank Sustainable Time Deposit, which functions just like a normal Time Deposit. The difference is in the sustainable impact where the deposits are referenced against qualifying sustainable loans and projects of Standard Chartered that meet their Green and Sustainable Product Framework.
- 13.4 These loan and project assets include green financing, sustainable infrastructure projects, micro-finance, and access to finance for SME business banking. It addresses the long-term environmental challenges such as climate change, health, and financial inclusion plus being dedicated towards financing sustainable loans and projects aligned to the United Nation's Sustainable Development Goals.

### Sustainable Development Goals



### 14. Financial Appraisal

- 14.1 All relevant implications are referred to in the above paragraphs.

### 15. Risk Management Implications

- 15.1 The risk management implication associated with this activity is explained in the approved Treasury Management Strategy. No additional implications have arisen during the period covered by this report.

### 16. Equality Analysis

- 16.1 This is a routine report for which a detailed Equality Analysis is not required to be undertaken.

### 17. Legal Implications

- 17.1 There are no legal implications from this report.

## **18. Environmental sustainability implications**

- 18.1 This report notes the treasury management performance of the Council. There are no anticipated environmental implications from this report that would affect the Council's sustainability policy. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the treasury activities and highlights compliance with the Council's policies previously approved by members.

## **19. Appendices**

- 19.1 Appendix A - Detailed Link's economic commentary
- 19.2 Appendix B - LDC Capital Programme
- 19.3 Appendix C - Glossary of Treasury Management terms

## **20. Background Papers**

- 20.1 Treasury Strategy Statement 2023/24

## Link Treasury Services Limited - Detailed economic commentary on treasury management activities and developments.

### Economics Update

- The first quarter of 2023/24 saw:
  - A 0.2% m/m rise in real GDP in April, partly due to fewer strikes;
  - CPI inflation falling from 10.1% to 8.7% in April, before remaining at 8.7% in May. This was the highest reading in the G7;
  - Core CPI inflation rise in both April and May, reaching a new 31-year high of 7.1%;
  - A tighter labour market in April, as the 3myy growth of average earnings rose from 6.1% to 6.5%;
  - Interest rates rise by a further 75bps over the quarter, taking Bank Rate from 4.25% to 5.00%;
  - 10-year gilt yields nearing the “mini-Budget” peaks, as inflation surprised to the upside.
- The economy has weathered the drag from higher inflation better than was widely expected. The 0.2% m/m rise in real GDP in April, following March’s 0.3% m/m contraction will further raise hopes that the economy will escape a recession this year. Some of the strength in April was due to fewer strikes by train workers and teachers in that month. Moreover, some of the falls in activity in other areas in April were probably temporary too. Strikes by junior doctors and civil servants contributed to the fall in health output (0.9% m/m) and the meagre 0.1% m/m increase in public administration.
- The fall in the composite Purchasing Managers Index (PMI) from 54.0 in May to a three-month low of 52.8 in June (>50 points to expansion in the economy, <50 points to contraction) was worse than the consensus forecast of 53.6. Both the services and manufacturing PMIs fell. The decline in the services PMI was bigger (from 55.2 to 53.7), but it remains consistent with services activity expanding by an annualised 2%. The fall in the manufacturing PMI was smaller (from 47.1 to 46.2), but it is consistent with the annual rate of manufacturing output falling from -0.8% in April to around -5.0%. At face value, the composite PMI points to the 0.1% q/q rise in GDP in Q1 2023 being followed by a 0.2% q/q gain in Q2 2023.
- Meanwhile, the 0.3% m/m rise in retail sales volumes in May was far better than the consensus forecast of a 0.2% m/m decline and followed the robust 0.5% m/m rise in April. Some of the rise was due to the warmer weather. Indeed, the largest move was a 2.7% m/m jump in non-store sales, due to people stocking up on outdoor-related goods. But department stores also managed to squeeze out a 0.6% m/m rise in sales and the household goods sub-sector enjoyed a reasonable performance too. Overall, the figures were far better than analysts had expected. In addition, the GfK measure of consumer confidence rebounded from -27 to a 17-month high of -24 in June.
- The recent resilience of the economy has been due to a confluence of factors including the continued rebound in activity after the pandemic, households

spending some of their pandemic savings, and the tight labour market and government handouts both supporting household incomes. That said, as government support fades, real household incomes are unlikely to grow rapidly. Furthermore, higher interest rates will mean GDP is likely to contract later this year. Our central assumption is that inflation will drop to the 2.0% target only if the Bank triggers a recession by raising rates from 5.00% now to at least 5.5% and keeps rates there until at least mid-2024. Our colleagues at Capital Economics estimate that around 60% of the drag on real activity from the rise in rates has yet to bite, and the drag on the quarterly rate of real GDP growth over the next year may be about 0.2ppts bigger than over the past year.

- The labour market became tighter over the quarter and wage growth reaccelerated. Labour demand was stronger than the consensus had expected. The three-month change in employment rose from +182,000 in March to +250,000 in April. Meanwhile, labour supply continued to recover as the size of the labour force grew by 303,000 in the three months to April. That was supported by a further 140,000 decline in inactivity as people returned to work from retirement and caring responsibilities (while inactivity due to long-term sick continued to rise). But it was not enough to offset the big rise in employment, which meant the unemployment rate fell from 3.9% to 3.8%
- The tighter labour market supported wage growth in April, although the 9.7% rise in the National Living Wage on 1st April (compared to the 6.6% increase in April last year) probably had a lot to do with it too. The 3myy rate of average earnings growth reaccelerated from 6.1% to 6.5% (consensus 6.1%) and UK wage growth remains much faster than in the US and the Euro-zone. In addition, regular private sector wage growth increased from 7.1% 3myy to 7.6%, which left it well above the Bank's forecast for it to fall below 7.0%. Overall, the loosening in the labour market appears to have stalled in April and regular private sector wage growth was well above the Bank's forecast.
- CPI inflation stayed at 8.7% in May (consensus 8.4%) and, perhaps more worryingly, core CPI inflation rose again, from 6.8% to a new 31-year high of 7.1%. The rise in core inflation built on the leap from 6.2% in March to 6.8% and means it is accelerating in the UK while it is slowing in the US and the Euro-zone (both fell to 5.3%). A further decline in fuel inflation, from -8.9% to -13.1%, and the second fall in food inflation in as many months, from 19.3% to 18.7%, explained why overall CPI inflation didn't rise. And the scheduled fall in the average annual utility price from £2,500 to £2,074 on 1st July means overall CPI inflation will probably ease in the coming months. But the problem is that the recent surge in core inflation and the reacceleration in wage growth shows that domestic inflationary pressures are still strengthening.
- This suggests the Bank may have more work to do than the Fed or ECB. Indeed, the Bank of England sounded somewhat hawkish in the June meeting. This came through most in the MPC's decision to step up the pace of hiking from the 25bps at the previous two meetings. The 7-2 vote, with only two members voting to leave rates unchanged at 4.50%, revealed support for stepping up the fight against high inflation.
- That said, the Bank has not committed to raising rates again or suggested that 50bps rises are now the norm. What it did say was that "the scale of the recent upside surprises in official estimates of wage growth and services CPI inflation



suggested a 0.5 percentage point increase in interest rates was required at this particular meeting”.

Moreover, the Committee did not strengthen its forward guidance that any further rate hikes would be conditional on the data. However, it looks highly probable, given the on-going strength of inflation and employment data, that the Bank will need to raise rates to at least 5.5% and to keep rates at their peak until the mid-point of 2024. We still think it is only a matter of time before the rise in rates weakens the economy sufficiently to push it into recession. That is why instead of rising to between 6.00%-6.25%, as is currently priced in by markets, we think rates are more likely to peak between 5.50-6.00%. Our forecast is also for rates to be cut in the second half of 2024, and we expect rates to then fall further than markets are pricing in.

- Growing evidence that UK price pressures are becoming increasingly domestically generated has driven up market interest rate expectations and at one point pushed the 10-year gilt yield up to 4.49% in late June, very close to its peak seen after the “mini-budget”. Yields have since fallen slightly back to 4.38%. But growing expectations that rates in the UK will remain higher for longer than in the US mean they are still more than 70 bps above US yields. While higher interest rates are priced into the markets, the likely dent to the real economy from the high level of interest rates is not. That’s why we think there is scope for market rate expectations to fall back in 2024 and why we expect the 10-year PWLB Certainty Rate to drop back from c5.20% to 5.00% by the end of this year and to 4.20% by the end of 2024.
- The pound strengthened from \$1.24 at the start of April to a one-year high at \$1.26 in early May, which was partly due to the risks from the global banking issues being seen as a bigger problem for the US than the UK. The pound then fell back to \$1.23 at the end of May, before rising again to \$1.28 in the middle of June as the strong core CPI inflation data released in June suggested the Bank of England was going to have to raise rates more than the Fed or ECB in order to tame domestic inflation. However, sterling’s strong run may falter because more hikes in the near term to combat high inflation are likely to weaken growth (and, hopefully, at some point inflation too) to such a degree that the policy rate will probably be brought back down, potentially quite quickly, as the economic cycle trends downwards decisively. This suggests that additional rate hikes are unlikely to do much to boost the pound.
- In early April, investors turned more optimistic about global GDP growth, pushing up UK equity prices. But this period of optimism appears to have been short-lived. The FTSE 100 has fallen by 4.8% since 21<sup>st</sup> April, from around 7,914 to 7,553, reversing part of the 7.9% rise since 17<sup>th</sup> March. Despite the recent resilience of economic activity, expectations for equity earnings have become a bit more downbeat. Nonetheless, further down the track, more rate cuts than markets anticipate should help the FTSE 100 rally.

### **MPC meetings 11<sup>th</sup> May and 22<sup>nd</sup> June 2023**

- On 11<sup>th</sup> May, the Bank of England’s Monetary Policy Committee (MPC) increased Bank Rate by 25 basis points to 4.50%, and on 22<sup>nd</sup> June moved rates up a further

50 basis points to 5.00%. Both increases reflected a split vote – seven members voting for an increase and two for none.

- Nonetheless, with UK inflation significantly higher than in other G7 countries, the MPC will have a difficult task in convincing investors that they will be able to dampen inflation pressures anytime soon. Talk of the Bank's inflation models being "broken" is perhaps another reason why gilt investors are demanding a premium relative to US and Euro-zone bonds, for example.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has already hiked short-term rates to a range of 5.00%-5.25%, but a further increase is pencilled in for July, whilst the ECB looks likely to raise its Deposit rate at least once more to a peak of 3.75%, with upside risk of higher to come.

## Appendix B

Lewes DC Capital Programme 2023/24	Original Budget 2023/24 £'000	Budget B/F 2022/23 £'000	Other Variation 2023/24 £'000	Revised Budget 2023/24 £'000
<b>HRA HOUSING INVESTMENT CAPITAL PROGRAMME</b>				
<b>Construction of New Dwellings</b>				
New Acquisitions & New Build	11,501,000	3,425,910		14,926,910
Saxonbury Redevelopment	-	16,920		16,920
Newhaven Police Station Redevelopment	-	(170,585)		(170,585)
Newhaven Fire Station Redevelopment	-	715,030		715,030
The Lynchetts, Lewes	-	6,000		6,000
Oakfield House, Plumpton Green	-	6,470		6,470
Mill Road, Ringmer	-	(49,570)		(49,570)
Sustainability Initiative Pilot Scheme	-	296,000		296,000
<b>Total Construction of New Dwellings</b>	<b>11,501,000</b>	<b>4,246,175</b>	<b>-</b>	<b>15,747,175</b>
<b>Improvements to Stock</b>				
Retirement schemes equipment's	47,500			47,500
Retirement schemes - Guest House	35,000			35,000
Fire Precaution Works	225,000	(29,455)		195,545
Heating Improvement Programme	460,000	32,865		492,865
Kitchen & Bathroom Renewals	495,000	(50,290)		444,710
Roofing & Chimney Works	730,000	14,150		744,150
Structural Works	885,000	(128,570)		756,430
Window & Door Replacement Programme	795,000	30,110		825,110
Electrical	785,000	(51,205)		733,795
Meeching Court, Newhaven (Elevator)	125,000	-		125,000
Warden Call Systems Upgrade	-	5,850		5,850
Broadband Installations	-	670		670
<b>Total Improvement to Stock</b>	<b>4,582,500</b>	<b>(175,875)</b>	<b>-</b>	<b>4,406,625</b>
				-
<b>Adaptations for Disabled Tenants</b>	<b>415,000</b>	<b>(208,975)</b>	<b>-</b>	<b>206,025</b>
				-
<b>Housing Estates Recreation and Play Areas</b>	<b>50,000</b>	<b>98,500</b>	<b>-</b>	<b>148,500</b>
				-
<b>TOTAL HRA HOUSING</b>	<b>16,548,500</b>	<b>3,959,825</b>	<b>-</b>	<b>20,508,325</b>
<b>GF HOUSING</b>				
Private Sector Housing Grants	135,000	135,000		270,000
Mandatory Disabled Facilities Grants	1,000,000	225,885		1,225,885
Emergency Repair Grants		(9,485)		(9,485)
<b>Total General Fund Housing</b>	<b>1,135,000</b>	<b>351,400</b>	<b>-</b>	<b>1,486,400</b>
				-
<b>Loans to Housing Companies</b>				-

## Appendix B

Aspiration Homes LLP (Loan for Delivery of Mixed Tenure Homes) *	2,000,000	419,060		2,419,060
<b>Total Loans to Housing Companies</b>	<b>2,000,000</b>	<b>419,060</b>	<b>-</b>	<b>2,419,060</b>
				-
<b>TOTAL GF HOUSING</b>	<b>3,135,000</b>	<b>770,460</b>	<b>-</b>	<b>3,905,460</b>
				-
<b>TOTAL HOUSING</b>	<b>19,683,500</b>	<b>4,730,285</b>	<b>-</b>	<b>24,413,785</b>
<b>GF NON HOUSING CAPITAL PROGRAMME</b>				
<b>Recovery and Stabilisation</b>				
Recovery and Reset Programme		858,055		858,055
HR and Payroll	20,000			20,000
<b>Total Recovery and Stabilisation</b>	<b>20,000</b>	<b>858,055</b>	<b>-</b>	<b>878,055</b>
<b>Regeneration</b>				
Commercial Property Acquisition & Development *	1,000,000	499,000		1,499,000
NSQ - North Street Quarter *	300,000	184,730		484,730
NSQ - Springman House		100,000		100,000
Asset Development Newhaven		(7,280)		(7,280)
Newhaven Enterprise Centre *	15,000			15,000
Newhaven Square Co-Op - Demolition		(8,025)		(8,025)
Reimagining Newhaven - Wayfinding	6,749,580	1,905,555		8,655,135
Reimagining Newhaven - Co-op	3,000,000			3,000,000
Construction of Avis Way Depot, Newhaven	6,300,000	1,332,680		7,632,680
The Sidings, Railway Quay, Newhaven		96,805		96,805
Marine Workshops, Newhaven		770,760	400,000	1,170,760
Caburn House, Lewes		(100,560)		(100,560)
Re-connecting our Town: Pedestrian Gateway	7,590,310	605		7,590,915
Re-connecting our Town: Wayfinding & Visitor Trails		650		650
Building our Economic Strength: Social Enterprise Incubator		418,575		418,575
Building our Economic Strength: Business Grants Programme		8,575		8,575
Re-imagining our Town Centre: Community & Creative Hub		239,840		239,840
An Active Community: Eastside Recreation Ground		272,640		272,640
An Active Community: Fort Road Recreation Ground		464,560		464,560
An Active Community: Newhaven Football Club		53,620		53,620
An Active Community: Denton Island Slipway		108,085		108,085
Destination Newhaven: Newhaven Port		485,475		485,475
Maintaining Maritime Vitality: Marine Gateway		903,460		903,460
Newhaven Fishing Landing Stages *	9,938,520	342,630		10,281,150
Unit 7 Oak Estate – Newhaven Processing Facility		359,730		359,730
Newhaven West Beach Restaurant		(61,770)		(61,770)
Property & Development - AIRS Grants		295,090		295,090
UKSPF Changing Spaces Landport and beyond	50,000	(560)		44,440
UKSPF Cliff Gardens Project	45,600			45,600
Regeneration	234,400			234,400

## Appendix B

<b>Total Regeneration</b>	<b>35,223,410</b>	<b>8,664,870</b>	<b>400,000</b>	<b>44,288,280</b>
<b>Asset Management</b>				
Asset Management Block Allocation	100,000	197,870		297,870
Lewes (Stanley Turner Recreation Ground Improvements)		2,430		2,430
Car Parks - (Capital Maintenance Programme)	50,000	(2,435)		47,565
Chapel Street Car Park		50,000		50,000
Cliff Tops at Peacehaven		990		990
Market Tower/Square *	50,000	143,810		193,810
Flint Walls Repairs	30,000	(15,225)	150,000	164,775
Robinson Road Depot - Priority Works	2,100,000	842,580		2,942,580
Newhaven Fort Bridge		705		705
Newhaven Fort Refurbishment		46,920		46,920
Stanley Turner Changing Room Club House	150,000	95,070		245,070
187/2 Fisher Street	150,000	125,915		275,915
School Hill House	50,000	150,000		200,000
Newhaven Square		80,000		80,000
Newhaven Square - roof works *	150,000	100,000		250,000
Public Conveniences	100,000	26,945		126,945
Changing Places Toilets		43,050		43,050
<b>Total Asset Management</b>	<b>2,930,000</b>	<b>1,888,625</b>	<b>150,000</b>	<b>4,968,625</b>
<b>Indoor Leisure Facilities</b>				
Indoor Leisure Facilities - Major Repairs and Improvements (Block allocation)	300,000	1,176,600		1,476,600
Wave Leisure	1,059,000			1,059,000
Downs Leisure Centre - Priority Works	-	(64,590)		(64,590)
Lewes Leisure Centre - Replacement AHU/Boilers	-	(13,560)		(13,560)
Seahaven Swim and Fitness, Newhaven Priority Works	800,000	(28,225)		771,775
Peacehaven Leisure Centre - Replacement Gutters	-	(14,325)		(14,325)
<b>Total Indoor Leisure Facilities</b>	<b>2,159,000</b>	<b>1,055,900</b>	<b>-</b>	<b>3,214,900</b>
<b>Energy Schemes</b>				
Local Energy Schemes	250,000	-		250,000
Retrofit Lending Schemes	250,000			250,000
OVESCO Ouse Valley Solar Farm	-	24,000		24,000
<b>Total Energy Schemes</b>	<b>500,000</b>	<b>24,000</b>	<b>-</b>	<b>524,000</b>
<b>Community Infrastructure Levy (CIL)</b>				
CIL	900,000	586,490		900,000
<b>Total Community Infrastructure Levy</b>	<b>900,000</b>	<b>586,490</b>	<b>-</b>	<b>1,486,490</b>
<b>Service Delivery</b>				
Vehicle & Plant Replacement Programme	-	1,036,660		1,036,660
Vehicle & Plant Replacement Programme	227,000			227,000

## Appendix B

Vehicle & Plant Replacement Programme	3,500,000			3,500,000
Vehicle Refurbishment W&R Review	-	(655,395)		(655,395)
EV Charge Points and Car Clubs	150,000			150,000
Car Park Machines	125,000			125,000
Waste & Recycling - Other Equipment	-	(203,130)		(203,130)
Waste & Recycling - Other Equipment	963,700			963,700
Waste & Recycling - Other Equipment	35,000			35,000
MOT Test Equipment (Roller Brake Tester and Headlamp Aligner)		(7,485)		(7,485)
Cockshut Stream (Stanley Turner Diversion)	600,000			600,000
New Crematorium & Green Burial Facility (Biodiversity)		95,590		95,590
Burial Records Digitalisation	50,000			50,000
Play Areas Full Refurbishment	400,000			400,000
Bell Lane Rain Garden	60,000	10,000		70,000
Rewilding and Nature Restoration	20,000			20,000
Upper Ouse Project	50,000			50,000
Robinson Road Priority Works	150,000			150,000
<b>Total Service Delivery</b>	<b>6,330,700</b>	<b>276,240</b>		<b>6,606,940</b>
<b>Specialist Projects</b>				
Flood Alleviation Project	136,000	69,130		205,130
<b>Total Specialist Projects</b>	<b>136,000</b>	<b>69,130</b>	<b>-</b>	<b>205,130</b>
				-
<b>Coastal Defence Works</b>				-
Coastal Defence Works	100,000	400,155		500,155
<b>Total Coastal Defence Works</b>	<b>100,000</b>	<b>400,155</b>	<b>-</b>	<b>500,155</b>
<b>Parks &amp; Pavilions</b>				
Southover Grange Gardens Improvements	-	8,260		8,260
Parks and Pavilions Remedial Works	160,000	587,250		747,250
Play Area Upgrade / Replacement equipment	40,000	257,840		297,840
<b>Total Parks &amp; Pavilions</b>	<b>200,000</b>	<b>853,350</b>	<b>-</b>	<b>1,053,350</b>
<b>Open Spaces - Biodiversity</b>				
Cockshut Stream (Stanley Turner Diversion)	220,000	(42,595)		177,405
Denton Parks Improvement Scheme	-	27,200		27,200
Funds for local groups for Biodiversity Projects	7,500	7,500		15,000
Town & Parish Council - joint working /grants	25,000			25,000
Wildlife Planting / Habitat creation in parks	30,000	30,000		60,000
Land for Biodiversity	-	20,000		20,000
Land for Biodiversity	250,000			250,000
Creation of wildflower seed areas	7,500	7,500		15,000
Tree Planting	10,000	5,000		15,000
Newhaven / Peacehaven Coastal Park	60,000	59,835		119,835

## Appendix B

<b>Total Open Spaces - Biodiversity</b>	<b>610,000</b>	<b>114,440</b>		<b>724,440</b>
<b>IT Block Allocation</b>	<b>213,000</b>	<b>-</b>	<b>-</b>	<b>213,000</b>
<b>Finance Transformation</b>	<b>150,000</b>	<b>304,100</b>	<b>-</b>	<b>454,100</b>
<b>Total General Fund</b>	<b>52,607,110</b>	<b>15,865,815</b>	<b>550,000</b>	<b>69,022,925</b>
				<b>-</b>
<b>Total</b>	<b>69,155,610</b>	<b>19,825,640</b>	<b>550,000</b>	<b>89,531,250</b>

Note: schemes marked within the General Fund but marked with \* are classed as Commercial Activities / Non Financial Investments.

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## GLOSSARY

### Local Authority Treasury Management Terms

Terms	Descriptions
<b>Bond</b>	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets.
<b>Borrowing</b>	Usually refers to the stock of outstanding loans owed, and bonds issued.
<b>CFR</b>	<p>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.</p> <p>The CFR increases with capital expenditure and decreases with capital finance and MRP.</p>
<b>Capital gain or loss</b>	An increase or decrease in the capital value of an investment, for example through movements in its market price.
<b>CIPFA</b>	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.
<b>Collective investment scheme</b>	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').
<b>Cost of carry</b>	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.
<b>Counterparty</b>	The other party to a loan, investment or other contract.
<b>Counterparty limit</b>	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
<b>Covered bond.</b>	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.
<b>CPI</b>	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
<b>Deposit</b>	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.

Terms	Descriptions
<b>Diversified income fund</b>	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.
<b>Dividend</b>	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.
<b>DMADF</b>	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.
<b>DLUHC</b>	Department for Levelling Up, Housing and Communities ( <i>formerly known as Ministry of Housing, Communities &amp; Local Government - MHCLG</i> ).
<b>DMO</b>	Debt Management Office – an executive agency of HM Treasury that deals with central government’s debt and investments.
<b>Equity</b>	An investment which usually confers ownership and voting rights
<b>Floating rate note (FRN)</b>	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA
<b>FTSE</b>	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.
<b>GDP</b>	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
<b>Income Return</b>	Return on investment from dividends, interest and rent but excluding capital gains and losses.
<b>GILT</b>	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
<b>LIBID</b>	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
<b>LIBOR</b>	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.

Terms	Descriptions
	Due to be phased out by 2022.
<b>LOBO</b>	Lender's Option Borrower's option
<b>MMF</b>	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.
<b>MPC</b>	The Monetary Policy Committee (MPC) decides what monetary policy action the Bank of England will take to keep inflation low and stable.
<b>OBR</b>	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.
<b>PMI</b>	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).
<b>Pooled Fund</b>	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').
<b>PWLB</b>	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.
<b>Quantitative easing (QE)</b>	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.
<b>SME</b>	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.
<b>SONIA</b>	Sterling overnight interest average – a benchmark interest rate for overnight deposits.
<b>Short-dated</b>	Usually means less than one year.

<b>Terms</b>	<b>Descriptions</b>
<b>TMSS</b>	Approved Council's Treasury Management Strategy Statement
<b>Total return</b>	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.

# Agenda Item 9

<b>Report to:</b>	<b>Audit and Governance Committee</b>
<b>Date:</b>	<b>4<sup>th</sup> September 2023</b>
<b>Title:</b>	<b>Internal Audit and Counter Fraud report for the first quarter of the financial year 2023-2024 – 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2023</b>
<b>Report of:</b>	<b>Chief Internal Auditor</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To provide a summary of the activities of Internal Audit and Counter Fraud for the first quarter of the financial year 2023-2024 – 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2023.</b>
<b>Officer recommendation(s):</b>	<b>That the information in this report be noted and Members identify any further information requirements.</b>
<b>Reasons for recommendations:</b>	<b>The remit of the Audit and Governance Committee includes the duties to agree an Annual Audit Plan and keep it under review, and to keep under review the probity and effectiveness of internal controls, both financial and operational, including the council's arrangements for identifying and managing risk.</b>
<b>Contact Officer(s):</b>	<b>Name: Jackie Humphrey</b> <b>Post title: Chief Internal Auditor</b> <b>E-mail: <a href="mailto:jackie.humphrey@lewes-eastbourne.gov.uk">jackie.humphrey@lewes-eastbourne.gov.uk</a></b> <b>Telephone number: 01323 415925</b>

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## **1 Introduction**

- 1.1 The remit of the Audit and Governance Committee includes the duties to agree an Annual Audit Plan and keep it under review, and to keep under review the probity and effectiveness of internal controls, both financial and operational, including the council's arrangements for identifying and managing risk.
- 1.2 The quarterly report includes a review of work undertaken by Internal Audit and Counter Fraud.
- 1.3 This report summarises the work carried out by Internal Audit and Counter Fraud during the first quarter of the financial year 2023-24.

## **2 Review of the work of Internal Audit carried out in the first quarter of the financial year 2023-24**

- 2.1 During the quarter, work continued on audit reviews begin in the previous year and starting work on the annual audit reviews for 2022-23. In the quarter, six reports were issued in final, five of which were follow ups. Three other reports were issued in draft and were awaiting responses from managers to the recommendations made.
- 2.2 Appendix A lists all the audit reports issued during the quarter. The first table shows all the follow up reports issued and the second table is the list of all other audit reports issued.

2.3 During the first quarter of the year, the focus of work has to move to carrying out the annual audits. These cover the main financial systems and are carried out on the processes followed in the previous year. These are required by the external auditors and also inform the Section 151 Officer of the control environment in these areas. Work is therefore ongoing on the reviews covering the work of 2022-23. There are 11 audits which have to be carried out every year.

Payroll  
Debtors  
Creditors  
Housing Rents  
Housing Benefits and Council Tax Reduction  
IT  
Council Tax  
National Non Domestic Rates (Business Rate)  
Cash and Banking  
Main Accounting  
Treasury Management

In previous years equal coverage has been given to the 11 reviews. However, it is felt that, by doing this, it is not possible to give some areas a full, in-depth review. Therefore, this year, a new approach is being trialled. Every year, some areas will have an in-depth review and others will have a lighter-touch review which covers the main controls. In following years other areas will have the in-depth review, ensuring that all areas have regular in-depth.

2.4 Appendix B is the list of all the audits that are still subject to follow up reviews. It shows the results of all the follow ups carried out and when the next follow up is due. When all recommendations have been addressed this will be reported once and then that audit will be removed from the list

2.5 Of the reviews in Appendix B, the following is noted:

- Business Continuity Planning – Plans for Finance and Service Delivery have now been finalised. The plan for Neighbourhood First is now in draft.
- Arrears Collection – the action for the outstanding recommendation has been delayed owing to the departure of the Deputy Chief Finance Officer.
- Love Clean Streets - the follow up is ongoing but awaiting responses from managers.
- Construction Industry Tax – delayed due to work on annual audits

2.6 Appendix C is a list of all outstanding recommendations and includes the latest responses from managers.

Business Continuity Plans - At the time of the last report, a plan was outstanding for Neighbourhood First. Also, five for Service Delivery areas and one for Finance were drafted and awaiting sign off. Updates were therefore requested. The Regulatory Services Lead confirmed that all the Service Delivery plans and the

one for Finance have now been signed off by East Sussex County Council. At the time of writing this report no response had been received with regard to the outstanding Neighbourhood First

Construction Industry Tax – This has been delayed while work is carried out on annual reviews.

- 2.7 As has been previously reported, the Audit team has been carrying a vacancy for nine months. Two recruitment exercises were carried out without being successful in filling the post. A preferred candidate was offered the post and has accepted. No start date has yet been agreed.
- 2.8 The aspiration for the team is to have all internal auditors trained to a similar standard. With this in mind, all auditors have been undertaking Excel training. One auditor is currently undertaking an IT Audit fundamentals course and another a Data Analytics for Auditors course. The Audit Manager is completing a Level 5 Operations/Departmental Manager Apprenticeship course.
- 2.9 With a view to utilising data analytics techniques to aid in audit reviews, the Audit Manager and one of the Internal Auditors are members of the core group running and championing the Institute of Internal Auditors' Local Authority Data Analytics Working Group.

### **3 Review of the work of Counter Fraud carried out in the first quarter of the financial year 2023-24**

- 3.1 The team continues to target the high risk and high value areas impacting the council, in particular Tenancy and Revenue fraud. The team have also undertaken post assurance work on Energy Grants and begun assisting with multiple agencies in tackling Modern Slavery offences within our community.
- 3.2 Housing Tenancy – the team continues to work closely with colleagues in Homes First and Legal Services. There are currently 46 ongoing sublet/abandonment tenancy cases at various stages. Two properties were returned to the council during this period generating a saving of £186,000, with five other cases were closed during this quarter with no further action.
- 3.3 Right To Buy - After a quiet period at the start of the year, we have begun to see an increase in applications from April 2023. This is in part related to the increase in the maximum discount which, following the consumer price index, now stands at £96,000. 33 cases are currently either being checked to prevent and detect fraud, and protect the authority against money laundering, or waiting for a home visit to verify residential status. Three applications were withdrawn during this period following verification checks, resulting in a net preventative saving of £288,975 (including property survey costs).
- 3.4 Housing Applications – the team continues to work with the Housing Allocations team following their review of the Housing Register in 2023/24 which removed 592 applications either due to withdrawal or no response. A new review will commence within the year with any highlighted fraud cases passed to the Counter Fraud team to investigate.
- 3.5 Homeless Placement – the team are working directly with colleagues in Homes First to implement additional counter-fraud measures to ensure the limited housing stock that is available will only be allocated to those in genuine need. This included providing refresher training to staff around credit checks and land registry systems to verify and reduce error and fraud.

- 3.6 Energy Rebate Schemes - following the closure of the latest Energy Rebate Scheme, the team have commenced post assurance review of all the applications made and will liaise with the Government in their fraud and error reporting and payment verification work.
- 3.7 Council Tax – three cases have been investigated during the quarter as part of a review of Single Person Discounts, Exemptions and Disregards with a net recoverable income of £727.84 generated for the authority and a preventative saving of £1033.60. A review of Council Tax exemptions/disregards is ongoing and includes work with the National Fraud Initiative (NFI) matching data held between Council Tax Records and Electoral Register. 506 cases have been reviewed in this period with a net recoverable income of £6265.90 generated along with a preventative saving of £5653.18 (these figures are included within NFI savings table below).
- 3.8 Council Tax Reduction – one case was investigated during the quarter with no change to existing entitlement.
- 3.9 National Non-Domestic Rates - four cases were investigated during this period following a discrepancy found with a previously claimed Covid-19 business grant, the investigation was closed with no further action.
- 3.10 Housing Benefit – The team continue to work closely with the Department for Work and Pensions (DWP) and our colleagues in the Benefits section. Due to resource restrictions and pressing need to assess Universal Credit applications, the DWP have limited their capacity to investigate Housing Benefit. Over this period, 15 cases were closed with no further action.
- 3.11 National Fraud Initiative (NFI) – The 2023/24 is already underway with the team concentrating on discrepancies on the Council Tax side as detailed above.
- 3.12 Data Protection Requests – the team take an active role in supporting colleagues in other organisations to prevent fraud and tackle criminal activity. During the quarter the team dealt with 15 data protection requests from the Police and other authorities. In addition, two fit and proper person checks were completed for new, or renewal Housing of Multiple Occupancy licences.
- 3.14 Modern Slavery – the team have joined working operations with multiple Government Agencies and Sussex Police in tackling potential Modern Slavery offences across the district. The council has assisted in providing information in support of one investigation within this quarter.
- 3.15 A table showing the savings made by the Counter Fraud team in the first quarter of 2023-2024 can be found at Appendix D.

#### **4 Financial appraisal**

- 4.1 There are no financial implications relating to expenditure arising from this report. Details of savings generated by the Counter Fraud team are included in Appendix D.

#### **5 Legal implications**

- 5.1 This report is for noting only and therefore the Legal Services team has not been consulted on the content of it.

#### **6 Risk management implications**

- 6.1 If the council does not have an effective governance framework that is subject to proper oversight by councillors it will not be able to demonstrate that it has in



place adequate means to safeguard council assets and services, and it could be subject to criticism from the council's external auditor or the public.

## **7 Equality analysis**

7.1 An equalities impact assessment is not considered necessary because the report is for information only and involves no key decisions.

## **8 Environmental sustainability implications**

8.1 Not applicable.

## **9 Appendices**

9.1 Appendix A - List of reports issued during the year

9.2 Appendix B - Position of audits requiring follow-up

9.3 Appendix C - Recommendations outstanding after follow-ups

9.4 Appendix D - Counter Fraud savings

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**LIST OF ALL REPORTS ISSUED DURING THE YEAR 2023-24****Follow Up Reports Issued In Current Year**

AUDIT	FOLLOW UP	DATE FOLLOW UP ISSUED	ASSURANCE LEVEL	
Business Continuity Planning	Sixth	10.05.23	Substantial	See Appendix B and C for details
Members Allowances	Fourth	19.05.23	Substantial	See Appendix B and C for details
Contract Management	First	05.06.2	Substantial	All recommendations addressed
Film Liaison Unit	Second	29.06.23	Substantial	See Appendix B and C for details
Rent Sense	Third	30.06.23	Substantial	See Appendix B and C for details

**Audit Reports Issued In Current Year**

AUDIT	FINAL DATE	FINAL ASSURANCE LEVEL	FIRST FOLLOW-DUE
Casual Workers	03.05.23	Partial	August 2023

**Draft Reports Issued In the Current Year That Are Awaiting Responses**

AUDIT	DATE DRAFT ISSUED
Housing Rents – annual 2022-23	05.06.23
Complaints	29.06.23
Managers' Responsibilities	30.06.23

**Key to assurance levels**

Assurance Level	Description
Full Assurance	Full assurance that the controls reduce the risk to an acceptable level.
Substantial Assurance	Significant assurance that the controls reduce the level of risk, but there are some reservations; most risks are adequately managed, for others there are minor issues that need to be addressed by management.
Partial Assurance	Partial assurance that the controls reduce the level of risk. Only some of the risks are adequately managed; for others there are significant issues that need to be addressed by management.
Minimal Assurance	Little assurance that the controls reduce the level of risk to an acceptable level; the level of risk remains high and immediate action is required by management.
No Assurance	No assurance can be given. The reasons will be explained thoroughly in the report.

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APPENDIX B – Quarterly Report on Internal Audit and Counter Fraud Work

**POSITION OF AUDITS REQUIRING FOLLOW UP**

AUDIT	FINAL DATE		FIRST FOLLOW-UP DATE		SECOND FOLLOW-UP DATE		THIRD FOLLOW-UP DATE		FOURTH FOLLOW UP DATE		FIFTH FOLLOW UP DATE		SIXTH FOLLOW UP DUE
	FINAL ASSURANCE LEVEL		FIRST FOLLOW UP ASSURANCE LEVEL		SECOND FOLLOW UP ASSURANCE LEVEL		THIRD FOLLOW- UP ASSURANCE LEVEL		FOURTH FOLLOW UP ASSURANCE LEVEL		FIFTH FOLLOW UP ASSURANCE LEVEL		
Business Continuity Plans	Nov 20	Minimal	May 21	Partial	Aug 21	Partial	Dec 21	Partial	May 22	Substantial	Dec 22	Partial	May 23/July 23 Substantial
Arrears Collection	Jan 21	Partial	Sep 21	Partial	Jan 22	Partial	May 22	Substantial	Nov 22	Substantial	Oct 23		
Members Allowances	Jan 21	Substantial	Jul 21	Substantial	Dec 21	Substantial	Oct 22	Substantial	May 23	Substantial	Sept 23		
Love Clean Streets	Dec 21	Partial	May 22	Partial	Sep 22	Partial	Feb 23	Partial	Ongoing				
Film Liaison Unit	Jan 22	Minimal	Sep 22	Minimal	Jun 23	Substantial	Oct 23						
Construction Industry Scheme	Feb 22	Partial	Feb 23	Partial	Jul 23								
Contract Management	Aug 22	Partial	Jun 23	Substantial									
Rent Sense	Sep 22	Partial	Nov 22	Substantial	Feb 23	Substantial	Jun 23	Substantial	Oct 23				
Casual Workers	Apl 23	Partial	Aug 23										

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**RECOMMENDATIONS FROM AUDIT REPORTS WHICH REMAIN OUTSTANDING AFTER FOLLOW UP**

**COLOUR KEY**

High Risk
Medium Risk
Low Risk

**REPORTS ISSUED 20/21**

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
<b>Business Continuity Planning</b> November 20	Minimal	4	0	0	10.05.23	Sixth	Substantial	1	0	0	Sep 23	Business Continuity Plans for every department must be completed and adopted as soon as possible.  (6 months)	<b>July Update</b>  The plans for Service Delivery and Finance have now been finalised.  The plan for Neighbourhood First is now in draft.
<b>Arrears Collection</b> January 2021	Partial	2	2	3	07.11.22	Fourth	Substantial	0	0	1	Oct 23	An overarching corporate arrears collection strategy must be drawn up and adopted, under which the separate policies for the individual debt streams sit, to ensure council departments responsible for collecting monies are acting in accordance with approved guidelines.  (3 months)	The Interim Deputy Finance Officer has raised this with the Head of Customer First and the Lead for Income Maximisation and Welfare. The response from the Lead for Income Maximisation and Welfare was that a complete review of the Fair Debt Policy needs to be carried out but that this was unlikely to happen in the current financial year. However, if required sooner, then help from Finance would be needed.  The Interim Deputy Finance Officer has replaced the departing

Appendix C – Quarterly Report on Internal Audit and Counter Fraud Work

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
													Deputy Chief Finance Officer and needs to undertake a review of agreed audit actions with a view to providing a revised completion date for this action.
Members Allowances January 2021	Substantial	0	3	0	19.05.23	Fourth	Substantial	0	1	0	Sept 23	All expenditure must be evidenced by official VAT receipts. Where expenditure includes VAT, reimbursement must be claimed through the creditors system.  (1 month)	<b>Audit Manager comment May 2023:</b> Testing identified that claims for parking charges, which are subject to VAT, were submitted to, and paid by, Payroll rather than through the creditors system. <b>Outstanding</b>

**REPORTS ISSUED 21/22**

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
Love Clean Streets Application December 21	Partial	3	1	0	22.09.22	Third	Partial	1	0	0	Ongoing	A new contract must be negotiated with BBITS for the use of the Love Clean Streets service, in accordance with the Contract Procedure Rules. The contract must be passed through Legal Services.  (3 months)	Will speak with IT to get pointed in the right direction to get this resolved.



Appendix C – Quarterly Report on Internal Audit and Counter Fraud Work

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
Film Liaison Unit January 22	Minimal	13	2	0	28.09.22	Second	Substantial	2	0	0	Oct 23	The permit cost schedule must be agreed by the council and any administration fees clearly defined within the contract.  (3 months)	Work has started on updating the permit cost schedule, but details are yet to be finalised
												End of year reconciliation, between permits granted, invoices received from SFO and paid over the year, must be carried out.  (1 month)	Permits have been reconciled but there is no evidence of a second officer signing off the reconciliation. A solution is being sought with Finance.

REPORTS ISSUED 22/23

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
Construction Industry Scheme February 2022	Partial	0	6	0	01.02.23	First	Partial	0	6	0	Jul 23	Procedures for CIS payments must be written up and regularly updated as directives from HMRC change.  (6 months)	Procedures for CIS payments will be developed and regularly updated in line with the HMRC changes.
												<ul style="list-style-type: none"> <li>New starters working with CIS payments must have training and existing staff must</li> </ul>	No training has been carried out since the report, however the Systems and Transactional Manager confirmed that CIS training

Appendix C – Quarterly Report on Internal Audit and Counter Fraud Work

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
												be given refresher courses. • All Payment Team members should sign up for the free HMRC advice, webinars and update alerts. (6 months)	is on the agenda for 2022-23.
Rent Sense September 2022	Partial	2	6	0	30.06.23	Third	Substantial	0	1	0	Sept 23	An operational risk assessment should be carried out for reviewing the risks associated with using third party software to monitor and evaluate the councils' rent arrears. (6 months)	The operational risk assessment of Rent Sense is scheduled for April / May 2023

Appendix D – Quarterly report on Audit and Counter Fraud work

**INCOME AND SAVINGS ACROSS THE FINANCIAL YEAR 2023-24**

Areas of savings	QUARTER ONE		QUARTER TWO		QUARTER THREE		QUARTER FOUR		YEAR TOTAL	
	Income	Savings	Income	Savings	Income	Savings	Income	Savings	Income	Savings
<b>Tenancy Housing</b>										
Recovery of council properties	0	£186,000.00	0	0	0	0	0	0	0	£186,000.00
Right To Buy value saved through intervention	0	£288,975.00	0	0	0	0	0	0	0	£288,975.00
Housing intervention/fraud	0	0	0	0	0	0	0	0	0	
<b>Revenues</b>										
National Non Domestic Rates	0	0	0	0	0	0	0	0	0	0
Council Tax	£727.84	0	0	0	0	0	0	0	£727.84	0
Value of ongoing Council Tax increase per week	0	£1,033.60	0	0	0	0	0	0	0	£1,033.60
Council Tax Penalties	0	0	0	0	0	0	0	0	0	0
<b>CTR &amp; Housing Benefit</b>										
Council Tax Reduction	0	0		0	0	0	0	0	0	0
Council Tax Reduction weekly incorrect benefit	0	0	0		0	0	0	0	0	0
Housing Benefit	0	0	0	0	0	0	0	0	0	0
Housing Benefit weekly incorrect benefit	0	0	0	0	0	0	0	0	0	0
Income from Administrative penalty collection	0	0	0	0	0	0	0	0	0	0
<b>National Fraud Initiative</b>										
Overpayments identified	£6,265.90	0	0	0	0	0	0	0	£6,265.90	0
Weekly incorrect benefit identified	0	£5,653.180	0	0	0	0	0	0	0	£5,653.180
<b>TOTALS</b>	<b>£6,993.74</b>	<b>£481,661.78</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£6,993.74</b>	<b>£481,661.78</b>

Appendix D – Quarterly report on Audit and Counter Fraud work

<b>Explanation of Savings Recorded</b>	
<b>Tenancy Housing</b>	
Recovery of council properties	Value of £93k per returned property based on NFI estimate
Right To Buy value saved through intervention	Value based on the discount saved for each withdrawn application (varies)
Housing intervention/fraud	Value based on an estimate of emergency placement costs £12k or removal from housing waiting list £3,400
<b>Revenues</b>	
National Non Domestic Rates	Value based on the outstanding liable bills now due following Counter-Fraud intervention
Council Tax	Value based on the outstanding liable bills now due following Counter-Fraud intervention
Value of ongoing Council Tax increase per week	Estimate of the amount saved based on a calculation of the length of undetected fraud - 32 weeks
Council Tax Penalties	Value of £70 or £280 penalty added to Council Tax Bill where discount/exemption fraud is found
<b>CTR &amp; Housing Benefit</b>	
Council Tax Reduction	Value based on the re-assessment of entitlement following Counter-Fraud intervention
Council Tax Reduction weekly incorrect benefit	Weekly incorrect benefit - estimate of the amount saved based on the length of undetected fraud - 32 weeks
Housing Benefit	Value based on the re-assessment of entitlement following Counter-Fraud intervention
Housing Benefit weekly incorrect benefit	Weekly incorrect benefit - estimate of the amount saved based on the length of undetected fraud - 32 weeks
Income from Administrative penalty collection	The amount collected from Administrative Penalties following Dep for Work and Pension investigation
<b>NFI</b>	
Overpayments identified	Value of any overpayments detected in this quarter
Weekly incorrect benefit identified	Weekly incorrect benefit - estimate of the amount saved based on the length of undetected fraud - 32 weeks