

Full Council

24 July 2023

Quorum: 11

Published: Friday, 14 July 2023



To the Members of the Council

You are summoned to attend a meeting the Council to be held in the Council Chamber, County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE on 24 July 2023 at 6.00 pm to transact the following business.

Agenda

1 Minutes of the meeting held on 22 May 2023 (Pages 5 - 12)

To confirm and sign the minutes of the meeting of the Council dated 22 May 2023.

2 Minute of Silence

The Council will pay tribute and hold a short period a silence in memory of former District and Lewes Town Councillor Stephen Catlin, who sadly died on 4 June 2023.

3 Apologies for absence

4 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.

5 Announcements (Pages 13 - 14)

To receive any announcements from the Chair of the Council, Leader of the Council, Members of the Cabinet or the Chief Executive. A list of the Chair of the Council's engagements since the previous meeting is enclosed.

6 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.

7 Questions from members of the public

To deal with questions which members of the public may wish to put to members of the Cabinet in accordance with Council Procedure Rule 11 (if any).

8 Petitions

To receive petitions from councillors or members of the public in accordance with Council Procedure Rule 13 (if any).

9 Urgent decisions taken by the Cabinet or Cabinet members

In accordance with Scrutiny Procedure Rule 17, to receive details of any urgent decisions taken by the Cabinet or Cabinet members since the previous meeting.

10 Member Attendance

To approve the absence of Councillor Coupland from attendance at any Full Council, Committee or Sub-Committee meeting of Lewes District Council pursuant to Section 85(1) of the Local Government Act 1972, due to his current ill health, for a period from 24 July 2023 up to and including 19 February 2024 (the date of the February Full Council meeting).

11 Appointment of Standards Independent Persons (Pages 15 - 16)

Report of the Monitoring Officer

12 Recommendations from Cabinet

(a) Local Development Scheme (Pages 17 - 34)

Report of Councillor O'Connor on behalf of the Cabinet held on 8 December 2023.

(b) Treasury Management Annual Report 2022/23 (Pages 35 - 56)

Report of Councillor Zoe Nicholson on behalf of the Cabinet held on 13 July 2023.

13 Notices of Motion

(a) Motion - To Support the Clean Air (Human Rights) Bill (Pages 57 - 58)

Motion submitted by Councillor Francomb

(b) Motion - South East Water (Pages 59 - 60)

Motion submitted by Councillor Bristow.

14 Written questions from Councillors

To deal with written questions which councillors may wish to put to the Chair of the Council, a Lead Councillor on the Cabinet or the Chair of any committee or sub-committee in accordance with Council Procedure Rule 12 (if any).

15 Questions to the Leader of the Council

To deal with questions (if any) which councillors may wish to put to the Leader of the Council. It will be at the Leader's discretion to re-direct questions to relevant Members of the Cabinet. A councillor wishing to raise a question must notify the Chair of the Council of the text of the question prior to the commencement of the meeting. (NB This item is limited to a maximum of 5 questions, with no more than 1 question being asked per councillor. If a question requires a detailed or technical response, the Leader may decide that a written response is more appropriate).

16 Ward issues

To deal with ward issues which councillors wish to raise (if any).

17 Reporting back on meetings of outside bodies (Pages 61 - 66)

To receive any reports from the Council's representatives who serve on outside bodies in respect of meetings they have attended.

18 Date of Next Meeting

The next meeting is scheduled for 25 September 2023.



Robert Cottrill
Chief Executive

Information for the public

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

Filming/Recording: This meeting is being webcast and may be filmed, recorded or broadcast by any person or organisation. Anyone wishing to film or record must notify the Chair prior to the start of the meeting. Members of the public attending the meeting are deemed to have consented to be filmed or recorded, as liability for this is not within the Council's control.

Public participation: Please contact Democratic Services (see end of the agenda) for the relevant deadline 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, the Leader, a Cabinet member, the Chair of any committee or sub-committee, or a member of the Council to any external body or joint authority a question on any matter in relation to which the Council has powers or duties of which affects the district.

A member must give notice of the written question to 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.

Democratic Services

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

Email: committees@lewes-eastbourne.gov.uk

Telephone: 01323 410000

Council website: <https://www.lewes-eastbourne.gov.uk/>

Modern.gov app available: View upcoming public committee documents on your device. Free modern.gov [iPad app](#) or [Android app](#) or [Microsoft app](#) .



Annual and Full Council

Minutes of meeting held in Council Chamber, County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE on 22 May 2023 at 6.00 pm.

Present:

Adrian Ross (Chair).

Councillors Graham Amy (Vice-Chair), Lucy Agace, Ian Alexander, Janet Baah, Lesley Boniface, Christine Brett, Christina Bristow, Julie Carr, Ciarron Clarkson, Roy Clay, Graham Clews, Ezra Cohen, Chris Collier, William Coupland, Paul Davies, Johnny Denis, Nikki Fabry, Becky Francomb, Cathy Gallagher, Stephen Gauntlett, Freddie Hoareau, Olivia Honeyman, Charlotte Keenan, Paul Keene, Nick Kortalla-Bird, Christoph von Kurthy, James MacCleary, Sean MacLeod, Imogen Makepeace, Wendy Maples, James Meek, Paul Mellor, Zoe Nicholson, Emily O'Brien, Laurence O'Connor, Christine Robinson, Joa Saunders, Isobel Sharkey, Mark Slater, Stella Spiteri and Daniel Stewart-Roberts.

Officers in attendance:

Robert Cottrill (Chief Executive), Kate Slattery (Head of Legal Services), Sarah Lawrence (Committee Team Manager) and Simon Russell (Head of Democratic Services).

1 Election of the Chair of the Council

The Chair of the Council, Adrian Ross, welcomed everyone to the meeting and congratulated all newly elected and returning Councillors on their election. He also thanked all those who had not been elected for their service and commitment to the Council and community over the last four years.

The Chair then invited Councillors to formally move the nomination received in advance of the meeting for Councillor Ian Alexander to be Chair of the Council for 2023/24.

Councillor Nicholson proposed and Councillor Collier seconded the nomination of Councillor Alexander.

The proposal was put to the vote and was approved unanimously.

RESOLVED that Councillor Ian Alexander be elected as the Chair of the Council for 2023/24.

Councillor Alexander then made the statutory declaration of acceptance of office as Chair of the Council and took the chair.

In his speech of acceptance of his re-election, Councillor Alexander thanked the outgoing Chair and Vice-Chair, Adrian Ross and Councillor Graham Amy

for their work over the last year.

2 Appointment of the Vice-Chair of the Council

The Chair invited members to formally propose the nomination for Vice-Chair of the Council received in advance of the meeting for Councillor Lesley Boniface.

Councillor Brett proposed and Councillor Carr seconded the nomination of Councillor Boniface to be appointed as Vice-Chair of the Council for 2023/24.

The nomination was put to a vote and approved unanimously.

RESOLVED that Councillor Lesley Boniface be appointed as the Vice-Chair of the Council for 2023/24.

Councillor Boniface then made the statutory declaration of acceptance of office as Vice-Chair.

3 Minutes

The minutes of the meeting of the Council held on 20 February 2023 were approved as a correct record and signed by the Chair.

4 Apologies for absence

There were no apologies for absence.

5 Declarations of interest

There were no declarations of interest.

6 Announcements

The Council received a list of the outgoing Chair of the Council's engagements carried out between May 2022 and May 2023 which had been tabled at the meeting, and the new Chair highlighted the range of the work carried out by Adrian Ross during the last year. There were no other announcements made.

7 Urgent items

There were no urgent items.

8 Returning Officer's Report

The Chair drew the Council's attention to the report of the Deputy Chief Executive and Returning Officer informing the Council of the result of the District Elections held on 4 May 2023, and congratulated both returning and newly elected Councillors, who would hold office until May 2027 as follows:

Ward:	Full name of Councillor:
Chailey Barcombe and Hamsey	Joa SAUNDERS, Mark SLATER
Ditchling and Westmeston	Paul Anthony David MELLOR
East Saltdean and Telscombe Cliffs	Ian Keith ALEXANDER, Laurence Julian O'CONNOR, Christine Sandra ROBINSON
KINGSTON	Stella SPITERI
Lewes Bridge	Zoe NICHOLSON, Janet BAAH
Lewes Castle	Wendy MAPLES, Nick KORTALLA-BIRD
Lewes Priory	Imogen MAKEPEACE, Graham CLEWS, Paul KEENE
Newhaven North	Julie Lyn CARR, Sean Andrew MACLEOD
Newhaven South	Graham Roger AMY, James Neville MACCLEARY, Christoph David VON KURTHY
Newick	Charlotte KENNAN
Ouse Valley and Ringmer	Lucy AGACE, Johnny DENIS, Emily O'BRIEN
Peacehaven East	Paul Thomas DAVIES, Cathy GALLAGHER
Peacehaven North	Ciarron Joss CLARKSON, Isobel Louise SHARKEY
Peacehaven West	Chris COLLIER, Nikki FABRY
Plumpton, Streat, East Chiltington and St John (without)	Daniel James Banfield STEWART-ROBERTS
Seaford Central	Stephen GAUNTLETT, Freddie HOAREAU
Seaford East	Ezra COHEN, Becky FRANCOMB
Seaford North	Roy CLAY, James MEEK
Seaford South	Christine Anne BRETT, Olivia HONEYMAN
Seaford West	Lesley BONIFACE, Christina Kathleen BRISTOW
Wivelsfield	William COUPLAND

Councillor Collier moved and Councillor Denis seconded the recommendation to note the report. In moving the recommendation, Councillor Collier extended his thanks to the Returning Officer, to the Head of Elections and Local Land Charges, and the whole team for the excellent way in which the election was conducted and thanked them for the enormous amount of work involved in delivering the election successfully, in particular with the introduction of voter ID.

A question was raised around the new approach to publishing addresses in nomination and results papers. The Chair confirmed that this could be considered outside the meeting, taking into account relevant legislation.

The recommendation was put to a vote and agreed unanimously.

RESOLVED that the report be noted.

9 Election of the Leader of Council, in accordance with Council Procedure Rules

The Chair invited nominations for the position of Leader of the Council.

Councillor Clarkson proposed and Councillor Maples seconded the nomination of Councillor Nicholson to be elected as Leader of the Council for a 4 year term of office.

The nomination was put to a vote and declared approved unanimously.

RESOLVED that Councillor Nicholson be elected to be Leader of the Council for a 4 year term of office.

Following the appointment, Councillor Nicholson made her speech of acceptance and thanks, reflecting on what had been achieved by the co-operative alliance over the last four years and committing to continuing that work. She extended her personal thanks to Councillor MacCleary who had served as Leader for two of the four years, and to other Councillors who had previously served on Cabinet and to her fellow ward councillor, Adrian Ross.

10 Appointments Report

The Chair advised that the appointments report had been tabled as an agenda supplement.

At the Chair's invitation, the Leader of the Council, Councillor Nicholson, advised that the following would be appointed to the Cabinet and on their areas of responsibilities for information:

Cabinet Member	Portfolio
Councillor Zoe Nicholson	Leader of the Council, Chair of Cabinet and Cabinet member for finance, assets and community wealth building
Councillor Christine Robinson	Deputy Leader of the Council and Cabinet member for community wellbeing
Councillor Chris Collier	Cabinet member for innovation, delivery and people
Councillor Johnny Denis	Cabinet member for arts, culture and tourism and leisure
Councillor Wendy Maples	Cabinet member for neighbourhood wellbeing

Councillor Emily O'Brien	Cabinet member for climate, nature and food systems
Councillor Laurence O'Connor	Cabinet member for planning and infrastructure
Councillor Mark Slater	Cabinet member for tenants and those in housing need

Councillor Nicholson moved and Councillor MacCleary seconded the recommendations set out in the appointments report.

The Chair of the Council then drew the Councillors' attention to the list of nominations set out in Appendix 1 to the report and advised that there were two outside bodies where there were more nominations than places (in respect of Impact Seaford and Local Government Association – Coastal Issues Special Interest Group). In addition, where no nominations had been received, it was proposed the Head of Democratic Services be authorised to appoint to vacancies in consultation with Group Leaders in accordance with political balance rules, or in relation to Deputy Chair appointments these be put to a vote at the first meeting of the relevant Committee.

The Chair put to a vote first all the appointments where there were no contested seats, and all other report recommendations, and these were carried unanimously.

The Chair then put to a vote the nominations received for Impact Seaford; Councillor Meek received 26 votes, Councillor Boniface 15 votes, and there were no abstentions. Councillor Meek was declared to be the Council's representative for Impact Seaford.

The Chair then put to a vote the nominations received for Local Government Association – Coastal Issues Special Interest Group; Councillor O'Brien received 26 votes, Councillor Bristow received 15 votes, and there were no abstentions. Councillor O'Brien was declared to be the Council's representative for the Local Government Association – Coastal Issues Special Interest Group.

RESOLVED:

1. To approve the proposed number and allocation of seats and nominations to Committees, Other Bodies and Outside Bodies, and to Chairs and Deputy Chairs as set out in Appendix 1;
2. To approve the increase in the size of the Licensing Committee to 11 members;
3. To rename the Audit and Standards Committee as the Audit and Governance Committee and to delegate the Monitoring Officer to make the relevant changes to the Council's constitution.
4. To appoint all members of the Council to the 'approved list' of members appointed as substitute members in accordance with Council's Rules of Procedure, except where prohibited by those rules such as for Licensing Committee and Cabinet;

5. To note the Leader of the Council's appointments to Cabinet, the individual areas of responsibility allocated to the Cabinet and the allocation of those areas of responsibility to the members of the Cabinet, as reported at the meeting;
6. That Neal Robinson and Graham Branton be re-confirmed as the Council's Standards Independent Persons until their tenure ends on 31 July 2023, and to note that the Monitoring Officer will undertake a new recruitment process for the positions, to be reported back to the next meeting of the Full Council;
7. To approve the establishment of a Constitution Working Group and its proposed terms of reference as set out at Appendix 2 of the report, and membership as set out at Appendix 1 of the report, and to delegate the Monitoring Officer to incorporate its formation into the relevant sections of the Council's constitution; and
8. To delegate to the Head of Democratic Services to resolve in consultation with Group Leaders any vacant appointments.

11 Annual Pay Policy Statement 2023-24

The Council received the report of the Director of Tourism, Culture and Organisational Development, presenting the Pay Policy Statement for the financial year 2023/24 for approval by the Council.

Councillor Collier moved and Councillor MacCleary seconded the recommendations set out in the report.

The recommendations were put to a vote and approved unanimously.

RESOLVED – That the Council approves and recommends the updated Pay Policy Statement for publication on the Council's website.

12 Urgent decisions taken by the Cabinet or Cabinet members

There were no urgent decisions to report.

13 Calendar of Meetings 2023/24

Councillor Robinson moved and Councillor O'Brien seconded approval of the Calendar of Meetings for 2023/24.

This was put to a vote and agreed unanimously.

RESOLVED – That the Calendar of Meetings for 2023/24 as set down on the agenda be approved.

14 Date of Next Meeting

It was noted that the next scheduled meeting of the Council was on 24 July 2023 at 6 pm.

The meeting ended at 6.29 pm

Councillor Ian Alexander (Chair)

This page is intentionally left blank

Agenda Item 5

Lewes District Council



Southover House
Southover Road
Lewes
East Sussex BN7 1AB

Civic & Member Services Officer: 01273 085030

CHAIR
Councillor Ian Alexander

VICE-CHAIR
Councillor Lesley Boniface

caroline.hanlon@lewes-eastbourne.gov.uk

Chair's Engagements 22 May 2023 – 24 July 2023

Date	Time	Event
Thursday 8 June	6.45pm	Chair: To attend the Sussex Armed Forces Briefing at the Army Reserve Centre, Crawley
Friday 9 June	7.30pm	Chair and Consort: To attend the Peacehaven Players Summer Show "Magic of the Musicals" at the Meridian Centre, Peacehaven
Monday 12 June	4.30pm – 6pm	Chair: To attend a Reception with the Lord-Lieutenant, at County Hall, St Anne's Crescent, Lewes, BN7 1UE
Saturday 8 July	11am – 4pm	Chair: To attend Peacehaven Town Council's Summer Fair at Centenary Park, Peacehaven
Wednesday 12 July	6pm – 8pm	Chair and Consort: To attend the Chair of ESCCs Summer Civic Reception at the Buxted Park Hotel, Uckfield

This page is intentionally left blank

Report to:	Full Council
Date:	24 July 2023
Title:	Standards – Appointment of Independent Persons
Report of:	Monitoring Officer
Ward(s):	All
Purpose of report:	To seek Council’s approval for the appointment of two Independent Persons.
Officer recommendations:	<p>(1) That Council approve the appointment of Neal Robinson and Paul Cummins as Independent Persons for Eastbourne Borough Council and Lewes District Council for a term of four years, commencing on 1 August 2023, subject to re-confirmation at the Annual Council meetings throughout their term of office.</p> <p>(2) That Council record its thanks to Graham Branton for his service as outgoing Independent Person.</p>
Reasons for recommendations:	To meet the Council’s statutory duty to appoint at least one Independent Person to advise on councillor code of conduct matters.
Contact Officer(s):	Name: Simon Russell Post title: Head of Democratic Services (and Monitoring Officer) E-mail: simon.russell@lewes-eastbourne.gov.uk Telephone number: 01323 415021

1 Introduction

- 1.1 The Localism Act 2011 requires district and borough councils to appoint at least one Independent Person to advise on the determination of allegations that a member has failed to comply with their code of conduct.
- 1.2 Independent Persons play an important role in promoting and maintaining high standards of conduct by elected members of Eastbourne Borough and Lewes District Councils (‘the Councils’). This also includes any member of a town or parish council within the Lewes district.
- 1.3 Since 2018, the Councils have operated with two Independent Persons and this has provided the Monitoring Officer with greater resilience when considering code of conduct matters and is also reflective of best practice.

2 Appointment Process

- 2.1 The Councils advertised the posts in June 2023 and received over 17 expressions of interest and 9 applications. Following a shortlisting exercise and in accordance with the Council's constitution, a selection panel consisting of the Chair of Audit and Governance Committee (EBC), the Chair of Audit & Governance Committee (LDC) and the Monitoring Officer conducted interviews.
- 2.2 The Councils may not appoint any person who has been a member or co-opted member or officer of the Councils or a town or parish in the Lewes district within the last five years; nor a relative or close friend of any such member or officer.

3 Proposal

- 3.1 Following assessment, the selection panel recommends to Full Council that Neal Robinson and Paul Cummins be appointed as Independent Persons for both council areas for a four-year term commencing on 1 August 2023.
- 3.2 As a check on the continuing suitability of the Independent Persons, it is recommended that their appointment is subject to re-confirmation at Annual Council meetings during their term of office.

4 Outgoing Independent Persons

- 4.1 It is recommended that the Council places on record its thanks to the outgoing Independent Person, Graham Branton, for the valuable advice he has provided to the Monitoring Officer and to the Councils' Standards Panels. His term of office ends on 31 July 2023.

5 Financial appraisal

- 5.1 Once appointed, each Independent Person receives an annual allowance of £1,000, plus £25 per hour for duties performed. In addition, the Councils will fund relevant external training to help ensure the post holders perform their role as effectively as possible.

6 Legal implications

- 6.1 The Independent Person appointment process detailed in this report meets the relevant statutory requirements (section 28 of the Localism Act 2011).

Appointments must be approved by a majority of the members of the local authority concerned.

Lawyer consulted 11.07.23

Legal ref: 007708-JOINT-OD

7 Appendices

- 7.1 None

8 Background Papers

- 8.1 None



Lewes District Council

Meeting:	Full Council
Date:	24 July 2023
Subject:	Local Development Scheme
Report of:	Councillor Laurence O'Connor on behalf of the Cabinet

The Council is asked to consider the minute and resolution of the **Cabinet** meeting held on **8 December 2022** as set out below.

The Council is recommended:-

(1) To adopt the revised Lewes Local Development Scheme 2023-2025 as set out at Appendix 1 to the Cabinet report (attached as Annex 1b to this report).

(2) That delegated authority be given to the Director of Regeneration and Planning in consultation with the Cabinet Member for Planning and Infrastructure to make minor changes within the Local Development Scheme where necessary.

Minute extract Cabinet – 8 December 2022.

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, seeking their endorsement of the Local Development Scheme update for approval by Full Council.

Policy and Performance Advisory Committee (PPAC), held on 1 December 2022 considered the report and made the following recommendation to Cabinet:

To support the officer recommendations in the Cabinet report, subject to the following additional recommendation:

(3) That the Cabinet consider providing funding for additional staff resources, to support the existing timetable and delivery of the Local Plan.

Councillor Boorman, Chair of Policy and Performance Advisory Committee, was in attendance to present PPAC's discussion. Councillor Linington, Leader of the Opposition Group, also spoke on the item.

In recognising the importance of using every available opportunity to progress the complex timetable as quickly as possible, Cabinet unanimously agreed to accept PPAC's recommendation, and this was reflected in the resolution below.

Following discussion, it was advised that any material changes to the Local Development Scheme, arising from the recently published Ministerial statement would be reported back to a future Cabinet meeting.

Recommended to Full Council (Budget and policy framework):

(1) That Cabinet recommends to Full Council that the revised Lewes Local Development Scheme 2023-2025 as set out at Appendix 1 to the report be adopted at the Full Council meeting on 20 February 2023

(2) That delegated authority be given to the Director of Regeneration and Planning in consultation with the Cabinet Member for Planning and Infrastructure to make minor changes within the Local Development Scheme where necessary.

Resolved (Non-key decision):

(3) To consider providing funding for additional staff resources, to support the existing timetable and delivery of the Local Plan.

Reasons for decisions:

(1) The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and the Council's constitution identifies that the adoption of the Local Development Scheme is a function of Full Council.

(2) To ensure that the Local Development Scheme can be kept up to date without needing to bring minor amendments back to Full Council.

A copy of the Cabinet report and appendix are attached as **Annex 1a and 1b**.

Copies may also be downloaded on the [Council's website](#).

For further information please contact Democratic Services:

Tel. (01273) 471600.

E-mail: committees@lewes-eastbourne.gov.uk

Report to: Cabinet

Date: 8 December 2022

Title: Local Development Scheme (December 2022)

Report of: Ian Fitzpatrick, Director of Regeneration & Planning

Cabinet member: Councillor Stephen Gauntlett, Cabinet Member for Planning and Infrastructure

Ward(s): All wards in Lewes District that lie wholly or partially outside of the South Downs National Park

Purpose of report: To seek Cabinet endorsement of the Local Development Scheme update for approval by Full Council

Decision type: Budget and policy framework

Officer recommendation(s):

- (1) That Cabinet recommends to Full Council that the revised Lewes Local Development Scheme 2023-2025 as set out in Appendix 1 be adopted at the Full Council meeting on 20 February 2023
- (2) That delegated authority is given to the Director of Regeneration and Planning in consultation with the Cabinet Member for Planning and Infrastructure to make minor changes within the Local Development Scheme where necessary.

Reasons for recommendations:

- (1) The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and the Council's constitution identifies that the adoption of the Local Development Scheme is a function of Full Council.
- (2) To ensure that the Local Development Scheme can be kept up to date without needing to bring minor amendments back to Full Council.

Contact Officer(s): Name: Nadeem Din
Post title: Planning Policy - Lead
E-mail: nadeem.din@lewes-eastbourne.gov.uk
Telephone number: 07800689269

1. Introduction

- 1.1 A Local Development Scheme (LDS) is a requirement for every local planning authority under the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). The LDS has two main purposes:
- To inform the public about the preparation and adoption of planning documents
 - To establish and reflect the council's priorities and enable work programmes to be set for the preparation of these documents.
- 1.2 An up to date LDS makes clear to local people, developers, landowners and other stakeholders when the key stages of the local plan process will take place and their opportunity to be involved in the Local Plan's preparation.
- 1.3 The Council's current LDS was approved in July 2020 having been revised from the approved 2018 version. It contains the programme for preparing the Local Plan and set out the key stages at which the community and relevant stakeholders would be consulted. It covered the period 2020-2023 and the National Planning Policy Guidance states that an LDS should be reviewed at least annually. It is also important to have the LDS updated regularly as when the Local Plan is at Examination one test to be passed is whether the Local Plan documents have been prepared in accordance with the timetable in the LDS. This LDS will cover the period to 2025.

2 Lewes Local Plan

- 2.1 Having an up-to-date local plan is critical as it enables the council to plan strategically for the development needs of the area whilst balancing other priorities such as environmental protections. While the Lewes Local Plan Part 1 (LPP1 - adopted May 2016) planned for 6,900 dwellings between 2010-2030 (average 345 per annum), the government's introduction of the Standard Method in 2018 increased this to 782 homes across the district. Further changes to the National Planning Policy Framework introduced the need to undertake a review of a local plan every five years. The Lewes Local Plan Part 1 was identified as being more than five-years old by May 2021 and work to review the local plan commenced in 2020.ⁱ An Issues and Option (I&O) consultation was completed in summer/autumn 2021.
- 2.2 The Issues and Options consultation received a huge volume of representations (approx. 42,000) raising several important issues. A picture emerging from the representations for the plan is a desire to have a clearly defined green theme. The council needs to give full consideration to the complex issues raised as it prepares the next iteration of the Local Plan. Also a total of 66 new sites came forward in response to the 'Call for Sites' exercise, which was undertaken alongside the I&O consultation. The revision to the LDS and the proposed timetable reflects the work needed to achieve this.
- 2.3 In May 2022, the Levelling-up and Regeneration Bill was introduced to Parliament, Significant changes to the local plan preparation process are being proposed, including:

- Moving away from the duty to co-operate, and therefore no longer having a requirement for local planning authorities to meet unmet housing needs from neighbouring authorities
- Amendments to the 5-year housing land supply requirement making it only impact local planning authorities when the local plan is out of date
- Possible changes to how housing targets are calculated
- The intention to have a national set of development management policies to streamline plan-making, allowing local planning authorities to focus on strategy, allocation and location specific issues

2.4 While the Levelling up and Regeneration Bill is currently passing through parliament and is scheduled to complete by April 2023, a draft revised National Planning Policy Framework (NPPF), expected in July 2022 is yet to be published but statements from Government Ministers are still suggesting that these proposals will be forthcoming.

2.5 In the meantime, the National Planning Policy Framework (NPPF) updated in July 2021 continues to include a strong expectation that Local Planning Authorities will prepare plans that positively seek opportunities to meet the development needs of their area. Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for a number of key land uses. These are housing (including affordable housing), employment, retail, leisure and other commercial development, infrastructure for transport and other key utilities, community facilities, and the conservation and enhancement of the natural, built and historic environment including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation

Implications for the Local Plan timetable

2.6 The amended LDS includes the following main change:

- Updates to the timetable of the Lewes Local Plan work programme

2.7 The published LDS timetable anticipated the Local Plan being adopted in December 2023, with a 'preferred options' consultation taking place in 2021 and the publication of the Proposed Submission document ready in Autumn 2022. Since the publication of the July 2020 LDS, although work has been progressing on the 'Preferred Option' version of the Local Plan, the combination of a significant staff turnover in the planning policy team; the ongoing recruitment challenges to fully resource the team; and further national lockdown in 2021 has meant that delays (especially in the evidence gathering) to the work as originally envisaged necessitates a review of the July 2020 LDS.

2.8 The publication version Local Plan will have incorporated a (wide) range of changes made during the earlier preparatory stages and consultations, the commissioned evidence and national planning reforms. Depending on how the draft plan progresses, it may be necessary to add additional stages to those in the table. Any additional consultation stages would impact on the timetable and the LDS would need to be revised further. In addition, the uncertainty created by

the overdue revised NPPF and the Levelling-up and Regeneration Bill will potentially mean there are further delays to the programme.

- 2.9 The timetable below is intended to allow for work to understand the implications of the emerging evidence and national policy changes. Further owing to local elections in 2023, a period of purdah between March and May has also informed the timeframe. While, the evidence may be approaching completion prior to the purdah period, the council's committee cycle would mean that the six-week public consultation period would run into the purdah period.

Stage	Existing Milestones in adopted LDS	Proposed Milestones
Preferred Options (Reg. 18)	Autumn 2021	Autumn 2023
Draft Plan consultation (Reg. 18)	-	Spring 2024
Publication (of pre-submission plan) and consultation (Reg. 19)	Autumn 2022	Winter 2024
Submission to Secretary of State (Reg. 22)	By or before Winter 2023	Spring 2025
Examination in Public (Reg. 24)	By or before Winter 2023	*Autumn/Winter 2025
Adoption and Publication (Reg. 26)	By or before Winter 2023	* Subject to progress of independent Examination

- 2.10 Accordingly, the revised LDS timetable would see a postponement of the Preferred Option consultation to Autumn 2023, approximately 2 years later than that which is in the published LDS. Upon submission of the Local Plan to the Inspectorate the remainder of the plan-making processes/timetable are in the hands of the Inspectorate, nevertheless, it would be a material consideration (albeit with reduced weight).

3 Outcome expected and performance management

- 3.1 Subject to approval by Full Council, the revised LDS will be published on the Councils' website. The LDS will be monitored by officers and progress towards the production of the Local Plan will be published as part of the annual Authority Monitoring Report.

4 Consultation

- 4.1 There is no requirement for public consultation prior to approving a revised LDS, which will be published on the Council's web site as soon as it comes into effect.

5 Corporate plan and council policies

- 5.1 The Council's Corporate Plan aims to have the greenest Local Plan, put sustainability at the heart of local planning processes, identify housing needs, deliver new homes and stabilise local housing markets

6 Business case and alternative option(s) considered

- 6.1 Not preparing a Local Plan is not an option and is not considered. The publication of an up-to-date LDS is a requirement for every local planning authority under the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011).

7 Financial appraisal

- 7.1 This is an amendment to the timetable for the preparation of Lewes Local Plan. There are financial implications associated with preparing the documents set out within the LDS and these are being met through existing budgets.

8 Legal implications

- 8.1 The local planning authority is required to prepare and maintain a scheme to be known as their local development scheme. To avoid challenge, upon the revision of the scheme, it is important for the Council to comply with S.15(8) Planning and Compulsory Purchase Act 2004 which provides that a local planning authority must revise their local development scheme at such time as they consider appropriate.

Subsection (9) sets out that the same statutory provisions apply to the revision of a scheme as they apply to the preparation of the scheme. Upon the revision of a scheme, the local planning authority must make the following available to the public-

- (a) the up-to-date text of the scheme,
- (b) a copy of any amendments made to the scheme, and
- (c) up-to-date information showing the state of the authority's compliance (or non-compliance) with the timetable

Legal Implications Provided 0711/22 - 011540-LDC-JCS

9 Risk management implications

- 9.1 Not maintaining an up to date LDS will mean that the council's approved LDS will be inaccurate and could have negative consequences for the examination of the Lewes Local Plan. A Development Plan Document which is not legally compliant cannot be formally adopted by the Council.

10 Equality analysis

- 10.1 An Equality Analysis is not required for the LDS as it is the project plan for preparing planning documents (DPDs) and does not in itself contain any

policies. The Lewes Local Plan will be subject to Equalities Analysis at the appropriate statutory plan making stages.

11 Environmental sustainability implications

11.1 One of the roles of a local plan is to manage where development takes place and what form that development takes. The new Local Plan will ensure that, through the opportunities it provides, developments respond to the climate and ecological emergencies the council has declared. The revised LDS though has no identified environmental sustainability implications.

12 Contribution to Community Wealth Building

12.1 This is an amendment to the timetable for the production of the Lewes Local Plan and is not in itself contributing to Community Wealth Building.

13 Appendices

- Appendix 1 – Local Development Scheme (update Dec 2022)

14 Background papers

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

- NPPF <https://www.gov.uk/government/publications/national-planning-policy-framework--2>
- Planning Practice Guidance <https://www.gov.uk/government/collections/planning-practice-guidance>
- Lewes District Council Revised Local Development Scheme (LDS), July 2020

ⁱ Local Plan Part 2 (LPP2) site allocations and Development Management Policies was adopted in February 2020.



Lewes District Council

Lewes District Council Revised Local Development Scheme (LDS)

December 2022

Contents

1. Introduction	3
2. Current Adopted Development Plan Documents	3
3. Context	5
4. Lewes District Local Plan	5
5. Supplementary Planning Documents and Guidance	7
6. Statement of Community Involvement (SCI)	7
7. Community Infrastructure Levy	7
8. Monitoring and Review	8
Appendix 1: Glossary	9
Appendix 2: Schedule of Saved Policies	10

1. Introduction

- 1.1. This Local Development Scheme (LDS) sets out the Council's programmed timetable for reviewing and updating its Local Plan, setting out its scope as well as the area covered by the Local Plan. Issues and changes in circumstances have arisen that make it necessary to review the plan -making timetable. This LDS, therefore, replaces the July 2020 LDS and covers the period to 2025. It only applies to the area of the district for which the Council is the local planning authority (i.e. Lewes District *excluding* the area within South Downs National Park).
- 1.2. The LDS is designed to help the community and all our partners interested in development and the use of land and buildings in our planning area understand what plans the Council has and intends to produce. While the LDS's main focus is the preparation of a new local plan the Council is committed to involving local communities and other stakeholders in preparation and the [Statement of Community Involvement](#) sets out how we will do this.
- 1.3. A plain English guide to the terms and abbreviations used in the document is set out in Appendix 1 (Glossary).

2. Current Adopted Development Plan Documents

- 2.1. The Council has prepared a number of Development Plan Documents in recent years. The Lewes District Local Plan currently comprises development plan documents (DPDs), as follows:
 - i. **Lewes District Local Plan Part 1: Joint Core Strategy**
- 2.2. This document sets out the overall spatial vision, strategic objectives and development strategy for the whole district. It was adopted by Lewes District Council in May 2016. The planning policies for that part of the District within the National Park have now been superseded and replaced by the South Downs Local Plan, adopted in July 2019.
 - ii. **Lewes District Local Plan Part 2: Site Allocations and Development Management Policies**
- 2.3. This document supports and seeks to deliver the strategic objectives and spatial strategy of the Local Plan Part 1. It allocates additional sites for particular land-uses and sets out detailed (non-strategic) development management policies to guide development and change. It was adopted by Lewes District Council in February 2020.
 - iii. **'Saved' policies of the Lewes District Local Plan (2003)**

2.4. A number of policies in the Lewes District Local Plan (2003) have been 'saved' and will continue to form part of the development plan until replaced by the adoption of the Peacehaven and Telscombe Neighbourhood Plan. These policies are set out in Appendix 2.

iv. Neighbourhood plans

2.5. Where neighbourhood plans are 'made' they form part of the statutory development plan. The District Council has to take it into account when it makes decision on planning applications in the area, alongside other adopted development plan documents. The following neighbourhood plans are in place across the district:

- Ditchling, Streat & Westmeston Neighbourhood Plan (2018)
- Hamsey Neighbourhood Plan (2016)
- Newhaven Neighbourhood Plan (2019)
- Newick Neighbourhood Plan (2015)
- Plumpton Neighbourhood Plan (2018)
- Ringmer Neighbourhood Plan (2016)
- Seaford Neighbourhood Plan (2020)
- Wivelsfield Neighbourhood Plan (2016)

2.6. In addition to the above made neighbourhood plans, further neighbourhood plans are being progressed. The timetables for preparing these plans are the responsibility of the relevant town or parish council and are therefore not included in this LDS. Further details can be found on the Council's [Neighbourhood Planning](#) webpages.

- v. East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan (2013)**
- vi. East Sussex, South Downs and Brighton & Hove Waste and Minerals Sites Plan (2017)**

2.7. East Sussex County Council and the South Downs National Park Authority are responsible for waste and minerals development in Lewes District. Both authorities work in partnership with Brighton & Hove City Council to produce the [Waste and Minerals Development Plan Documents](#) covering East Sussex, the South Downs and Brighton & Hove. The timetables for preparing and reviewing these documents are not addressed in this LDS.

2.8. Decisions on planning applications are to be taken in lines with the policies of the above development plan documents, unless there are significant matters ('material considerations') that indicate otherwise.

3. Context

- 3.1. The National Planning Policy Framework (NPPF) updated in July 2021 continues to include a strong expectation that Local Planning Authorities will prepare plans that positively seek opportunities to meet the development needs of their area. Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for a number of key land uses. These are housing (including affordable housing), employment, retail, leisure and other commercial development, infrastructure for transport and other key utilities, community facilities, and the conservation and enhancement of the natural, built and historic environment including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.
- 3.2. The local plan and timetable addressed in this version of the Local Development Scheme is based on the current plan-making system. The Government published the Levelling Up and Regeneration Bill in May 2022, which proposes changes to the plan-making system. These proposals may have implications for the emerging plan, subject to the provisions of any final Act, including transitional arrangements. The Local Planning Authority continues to prepare planning policies under the current system whilst monitoring the progress of these proposed changes.
- 3.3. The LDS uses seasons in the timetables for plan making. These are using standard definition as used by the Meteorological Office. Where a key stage falls in winter of a particular year, it will be followed by brackets saying 'late' for December and 'early' for January to February to avoid confusion about the part of the year involved.

Spring	Summer	Autumn	Winter
March – May	June – August	September – November	December – February

4. Lewes District Local Plan

- 4.1. The main Development Plan Document (DPD) to be produced is the Lewes District Local Plan. The Council's planning policy team is responsible for leading the work on preparing the Local Plan, whose geographical coverage is the whole of Lewes District excluding the area within the South Downs National Park. Ensuring that the Local Plan is in conformity with national policy and legislation is also a key requirement in preparing the local plan.
- 4.2. This LDS replaces the current Local Plan (Parts 1 & 2) adopted by the Council in 2016 and 2020. An 'Issues and Options' consultation, undertaken in the summer of 2021 received approximately 42,000 representations. Issues raised through the consultation relating to the evidence base, spatial strategy options and protection of the environment, as well as the other consultation topics are all being given full consideration.

- 4.3. Alongside the ‘issues and options’ consultation representation, a suite of evidence studies are being prepared on a variety of topics to support the preparation of the Local Plan. These studies are due to report back in early 2023 and will be important in supporting that the plan’s spatial strategy as being an appropriate strategy.
- 4.4. The timetable in the table below is intended to allow for work to understand the implications of the emerging evidence and national policy changes, noting the complexity of the issues and the volume of comments raised by the Issues and Options consultation. Further owing to local elections in 2023, a period of purdah between March and May has also informed the timeframe for the preparation of the Local Plan.
- 4.5. Accordingly the revised LDS timetable would see a postponement of the Preferred Option consultation to Autumn 2023, approximately 2 years later than that which is in the published LDS. Upon submission of the Local Plan to the Planning Inspectorate the remainder of the plan-making processes/ timetable are in the hands of the Planning Inspectorate, nevertheless, it would be a material consideration (albeit with reduced weight.) Officers will seek discussions, should they be appropriate, with the Planning Inspectorate closer to the examination, including on procedural issues. The changes to the national plan making system may also result in changes to the approach, process and timetable.

Stage	Existing Milestones in adopted LDS	Proposed Milestones
Preferred Option (Reg. 18)	Autumn 2021	Autumn 2023
Draft Plan consultation (Reg. 18)	•	Spring 2024
Publication (of pre-submission plan) and consultation (Reg. 19)	Autumn 2022	Winter 2024
Submission to Secretary of State (Reg. 22)	By or before Winter 2023	Spring 2025
Examination in Public (Reg. 24)	By or before Winter 2023	*Autumn/Winter 2025
Adoption and Publication (Reg. 26)	By or before Winter 2023	* Subject to progress of independent Examination

5. Supplementary Planning Documents and Guidance

- 5.1. Adopted Supplementary Planning Documents (SPD) and Guidance (SPG) have been prepared to provide further guidance on the adopted Local Plan policies. SPDs can be given substantial weight in planning decisions.
- 5.2. As it is no longer a requirement to details SPDs and their timetables for preparation within an LDS, details of any future SPDs will be provided on the District Council's website. Stakeholders and consultees will be informed of the timetable(s) at the start of an SPD's preparation.

6. Statement of Community Involvement (SCI)

- 6.1. The [Statement of Community Involvement \(SCI\)](#) sets out how Lewes District council will involve the community in the preparation and review of planning policy. Improving community and stakeholder engagement in planning from the outset is a key tenet of plan-making, and every local planning authority is required to produce a SCI. The SCI is not a DPD, and is not subject to Examination.
- 6.2. A SCI was adopted in 2020, it details how the community and stakeholders will be involved in the preparation, alteration
- 6.3. To ensure that the SCI remains relevant and has regard to new methods of engagement, the councils will keep this under review, updating it where necessary

7. Community Infrastructure Levy

- 7.1. The Community Infrastructure Levy (CIL) provides a mechanism for collecting financial contributions from new development. These help fund a wide range of strategic infrastructure, such as public transport, parks, and community facilities, needed support growth. Lewes District Council is the CIL Charging Authority and administers the adopted charging schedules.
- 7.2. Further information on the CIL, including the charging schedule is on the Council's website at: [Community Infrastructure Levy \(CIL\) - Lewes and Eastbourne Councils \(lewes-eastbourne.gov.uk\)](https://www.lewes-eastbourne.gov.uk)
- 7.3. The government requires that local plans should set out the contributions expected from development and that the viability of all relevant policies including the cost implications of CIL, and S106 should be taken into consideration during the plan making process. Evidence relating to infrastructure needs and viability is being reviewed as part of the Local Plan preparation and an opportunity to review the CIL charging exists.

8. Monitoring and Review

- 8.1. The Council's performance against the LDS timetable will be monitored through the Authority Monitoring Report (AMR). The AMR is a 'state of the environment' report produced at least annually. It assesses the effectiveness of the Local Plan policies in managing development and achieving the outcomes and objectives of the planning framework. It is also used to identify future work priorities by providing a 'baseline' context for reviewing and amending existing policies.
- 8.2. The LDS is next anticipated to be updated following consultation on the 'Preferred Options' at the end of 2023, or where a need to do so earlier is identified.
- 8.3. The latest versions of the AMR are available to view on [Council's planning policy website](#).

Appendix 1: Glossary

Authority Monitoring Report (AMR) – a report prepared by a local authority that assesses the impact of policies and whether targets for these policies are being met. The report is prepared on at least an annual basis and is available on the local authority's website.

Development Plan – the development plan is the starting point in the consideration of planning applications for the development or use of land.

Development Plan Documents (DPDs) – Planning documents that are subject to independent examination and form part of the statutory development plan for an area.

Joint Core Strategy – This is the adopted Local Plan Part 1. It sets out the long-term vision for the district and the spatial objectives and strategic policies required to deliver that vision.

Local Development Documents (LDDs) – The collective term for all documents that are prepared in association with a Local Plan, including Development Plan Documents, Supplementary Planning Documents and the Statement of Community Involvement.

Local Development Scheme (LDS) – A document setting out the programme for the preparation of Development Plan Documents. It sets out a 3 year programme and includes information on consultation dates. The LDS can be revised whenever necessary.

Local Housing Need – The number of homes needed within a local authority area, calculated using the Government's standard methodology introduced in 2018.

Local Plan – The term 'local plan' is used extensively in the new National Planning Policy Framework in preference to the previous term 'Local Development Framework'. It sets out a vision and policy framework to guide the future development and change of an area.

Statement of Community Involvement – sets out how a local planning authority will consult the community and stakeholders, not only on LDDs, but also on major planning applications.

Supplementary Planning Documents (SPDs) – these can be produced to provide policy guidance to supplement the policies and proposals in DPDs. They do not form part of the development plan but must undergo a formal process of consultation.

Sustainability Appraisal (SA) – Assessment of the social, economic and environmental impacts of the policies in Development Plan Documents

Appendix 2: Schedule of Saved Policies

All Lewes District Local Plan 2003 policies were saved under a Direction by the Secretary of State in 2009. The majority of these policies have now been superseded and replaced by other development plan documents, including the Lewes District Local Plan Part 1: Joint Core Strategy, the Lewes District Local Plan Part 2: Site Allocations and Development Management Policies, and Neighbourhood Plans.

However, early in the preparation of the Lewes District Local Plan Part 2, the District Council took the decision not to allocate non-strategic sites for specific land-uses or identify area specific policies in locations where a town or parish council were developing a neighbourhood plan that would include allocations for specific land uses.

The combined parishes of Peacehaven and Telscombe were designated as a neighbourhood area for the purposes of preparing a neighbourhood plan in 2013. Accordingly, the Local Plan Part 2 does not identify non-strategic site allocations or site specific policies within the Peacehaven or Telscombe neighbourhood area. The saved Lewes District Local Plan 2003 policies listed below will therefore remain part of the development plan for Lewes District until the Peacehaven and Telscombe Neighbourhood Plan has been approved at referendum.

Chapter 13: Peacehaven & Telscombe	
Policy PT6	Meridian and Bolney Avenue Industrial Estates Link
Policy PT9	Meridian Centre
Policy PT10	Access and Permeability at the Meridian Centre
Policy PT11	Joff Youth Club
Policy PT12	The Coast, Clifftop and Foreshore
Policy PT13	The Coast, Clifftop and Foreshore
Policy PT18	Allotments
Policy PT19	Valley Road
Policy PT20	Valley Road

This page is intentionally left blank



Lewes District Council

Meeting: Council
Date: 24 July 2023
Subject: Treasury Management Annual Report 2022/23
Report of: Councillor Zoe Nicholson on behalf of the Cabinet

The Council is asked to consider the minute and resolution of the Cabinet meeting held on **13 July 2023** as set out below.

The Council is recommended to:-

(1) Approve the Annual Treasury Management report 2022/23 (attached as Annex 1).

(2) Approve the 2022/23 Prudential and Treasury Indicators included in the report (Section 9.1)

Draft minute extract Cabinet – 13 July 2023.

The Cabinet considered the report of the Director of Finance and Performance, presenting them with the Annual Treasury Management Report for 2022/23.

The report was also considered and endorsed by Audit and Governance Committee at its meeting on 3 July 2023.

Recommended to Full Council (Budget and policy framework):

(1) To approve the Annual Treasury Management report 2022/23.

(2) To approve the 2022/23 Prudential and Treasury Indicators included in the report (set out at Section 9.1).

Reason for decisions:

It is the requirement of CIPFA Treasury Management in the Public Sector Code of Practice (the Code).

A copy of the report is attached **as Annex 1** and can also be downloaded on the [Council's website](#).

Contact: Democratic Services.

Tel. (01273) 471600.

E-mail: committees@lewes-eastbourne.gov.uk

Report to:	Cabinet
Date:	13 July 2023
Title:	Treasury Management Annual Report 2022/23
Report of:	Homira Javadi, Director of Finance and Performance
Cabinet member:	Councillor Zoe Nicholson, Leader of the Council and Cabinet member for finance, assets and community wealth building
Ward(s):	All
Purpose of report:	To present the Annual Treasury Management Report for 2022/23
Decision type:	Budget and policy framework
Officer recommendation(s):	<p>To recommend to Full Council:</p> <p>(1) To approve the Annual Treasury Management report 2022/23.</p> <p>(2) To approve the 2022/23 Prudential and Treasury Indicators included in the report (Section 9.1).</p>
Reasons for recommendations:	Requirement of CIPFA Treasury Management in the Public Sector Code of Practice (the Code).
Contact Officer(s):	<p>Name: Steven Houchin Post title: Interim Deputy Chief Finance Officer E-mail: steven.houchin@lewes-eastbourne.gov.uk Telephone number: 01323 415378</p>

1 Introduction

- 1.1 This Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2022/23 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council 21 February 2022)

- a mid-year (minimum) treasury briefing.
 - an annual report following the year describing the activity compared to the strategy (this report)
- 1.3 In addition, Treasury Management updates were included in the quarterly performance management reports, considered by both the Cabinet and Policy and Performance Advisory Committee.
- 1.4 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 outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 1.5 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny of all the above treasury management reports by the Audit & Governance Committee before they were reported to the full Council. Member training on treasury management issues was undertaken in autumn 2022, which is to support Members' scrutiny role. Further training will be undertaken in October 2023.
- 1.6 This report summarises:
- Capital activities during the year.
 - Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement).
 - The actual prudential and treasury indicators.
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances.
 - Summary of interest rate movements in the year.
 - Debt activity and investment activity.

2 The Council's Capital Expenditure and Financing 2022/23

- 2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need (Capital Financing Requirement).
- 2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund £'000	31/03/2022	2022/23	31/03/2023
	Actual	Budget	Actual
Capital expenditure	8,625	26,056	9,849
Financed in year	(5,864)	(15,077)	(7,469)
Unfinanced capital expenditure	(2,760)	(10,979)	(2,379)

HRA £'000	31/03/2022	2022/23	31/03/2023
	Actual	Budget	Actual
Capital expenditure	5,604	12,628	8,668
Financed in year	(1,294)	(12,628)	(8,668)
Unfinanced capital expenditure	(4,310)	-	-

3 The Councils Overall Borrowing Need

- 3.1 The Capital Financing Requirement (CFR) represents the Council's total underlying need to borrow to finance capital expenditure, i.e. capital expenditure that has not been resourced from capital receipts, capital grants and contributions or the use of reserves. Some of this borrowing is from the internal use of cash balances.
- 3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the PWLB or the money markets), or utilising temporary cash resources within the Council.
- 3.3 Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or

- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

3.4 The Council's 2022/23 MRP Policy (as required by Department for Levelling Up, Housing and Communities Guidance) was approved as part of the Treasury Management Strategy Report for 2022/23 on 21 February 2022. The Council's CFR for the year is shown below and represents a key prudential indicator.

CFR (£'000): General Fund	31/03/2022	2022/23	31/03/2023
	Actual	Budget	Actual
Opening balance	18,589	21,014	21,014
Add unfinanced capital expenditure	2,760	10,979	2,379
Less MRP	(334)	(367)	(359)
Less Loan repayments	(2)	-	(133)
Closing balance	21,014	31,626	22,902

CFR (£'000): HRA	31/03/2022	2022/23	31/03/2023
	Actual	Budget	Actual
Opening balance	70,679	74,989	74,989
Add unfinanced capital expenditure	4,310	-	-
Closing balance	74,989	74,989	74,989

- 3.5 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the Authorised Limit.
- 3.6 Net borrowing and the CFR - to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.
- 3.7 Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2021/22 plus the expected changes to the CFR over 2022/23 and 2023/24. This indicator allows the Council some flexibility to borrow in advance of its immediate capital need in 2022/23. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

£'000	31/03/2022	2022/23	31/03/2023
	Actual	Budget	Actual
Gross borrowing position	51,673	53,673	51,673
CFR	96,003	106,615	97,891
Over / (Under) Funding of CFR	(44,330)	(52,942)	(46,218)

- 3.8 The Authorised limit - the Authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2022/23 the Council has maintained gross borrowing within its Authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the Authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

£'000	2022/23
Authorised limit	139,277
Maximum gross borrowing position during the year	51,673
Operational boundary	126,615
Average gross borrowing position	51,673
GF Financing costs as a proportion of net revenue stream	-4.6%
HRA financing costs as a proportion of rental income	12.5%
Income from Commercial and Service Delivery Investments as a proportion of net revenue stream	12.2%

4 Treasury Position as at 31 March 2023

- 4.1 The Council's debt and investment position is organised by staff within Financial Services to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.
- 4.2 Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2022/23, the Council 's treasury position was as follows:

DEBT PORTFOLIO	31/3/22 Principal	Rate/ Return %	31/3/23 Principal	Rate/ Return %
Fixed rate funding:				
-PWLB	46,673	3.1%	46,673	3.1%
-Market	5,000	4.5%	5,000	4.5%
Total debt	51,673		51,673	
CFR	96,003		97,891	
	(44,330)		(46,218)	
Total investments	33,267	0.14%	19,907	1.61%
Net debt	18,406		31,766	

4.3 The maturity structure of the debt portfolio was as follows:

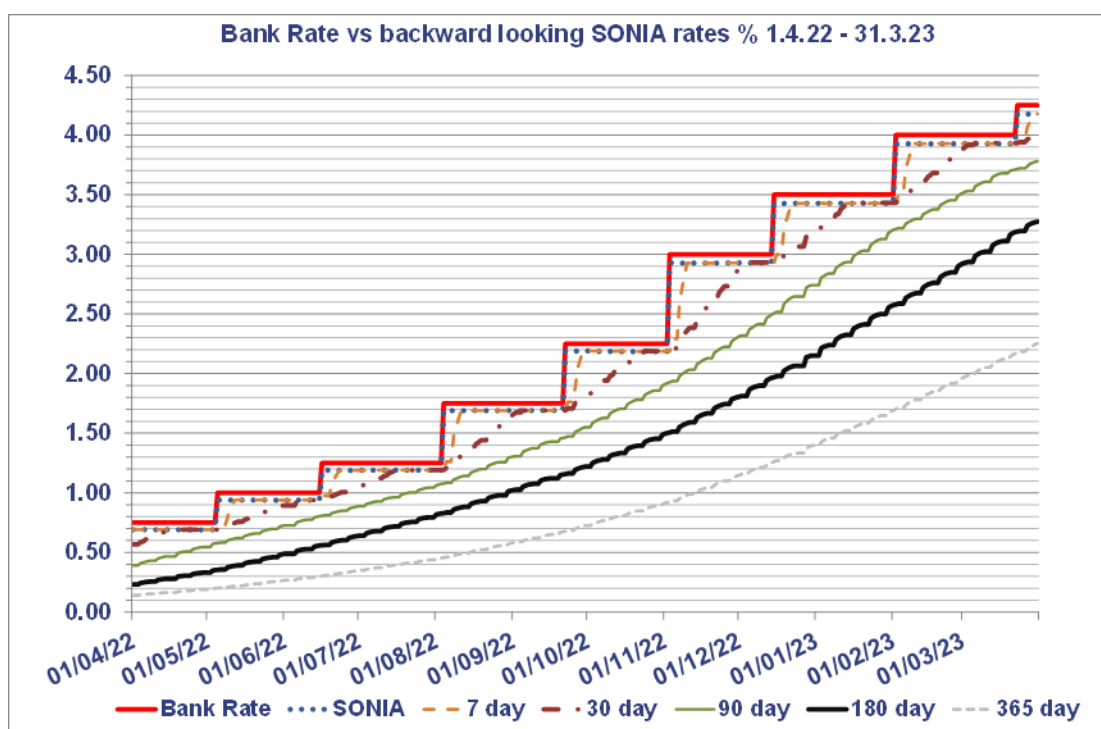
	31.3.22	2022/23	31.3.23
	Actual £'000	Original limits £'000	Actual £'000
Under 12 months	-	8,000	8,000
12 months and within 24 months	8,000	2,000	2,000
24 months and within 5 years	10,000	10,000	10,000
5 years and within 10 years	12,000	10,000	10,000
10 years and within 20 years	16,673	18,673	16,673
20 years and within 30 years	-	-	-
30 years and within 40 years	5,000	5,000	5,000
40 years and within 50 years	-	-	-

The exposure to fixed and variable rates was as follows:

	31 March 2022 Actual £'000	31 March 2023 Actual £'000
Principal - Debt Fixed rate	51,673	51,673
Principal – Investments Variable rate	0	0

5 Investment Strategy and Control of Interest Rate Risk

- 5.1 The investment strategy during the financial year made reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Whilst greater returns are usually obtainable by investing for longer periods, there was the greater emphasis on ensuring cash balances were available to manage the ups and downs of the council's cash flow. Where cash sums were identified that could be invested for longer periods, the value to be obtained from longer term, investments were carefully assessed.
- 5.2 Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for. Starting April at 0.75%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with the potential for a further one or two increases in 2023/24.
- 5.3 The tables below illustrate the change in Sterling Overnight Index Average (SONIA) compared to the Bank of England Base Rate throughout the year.



FINANCIAL YEAR TO QUARTER ENDED 31/03/2023							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	4.25	4.18	4.18	4.00	3.78	3.27	2.25
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023
Low	0.75	0.69	0.69	0.57	0.39	0.23	0.14
Low Date	01/04/2022	28/04/2022	29/04/2022	01/04/2022	01/04/2022	01/04/2022	01/04/2022
Average	2.30	2.24	2.20	2.09	1.81	1.42	0.90
Spread	3.50	3.49	3.49	3.43	3.39	3.04	2.11

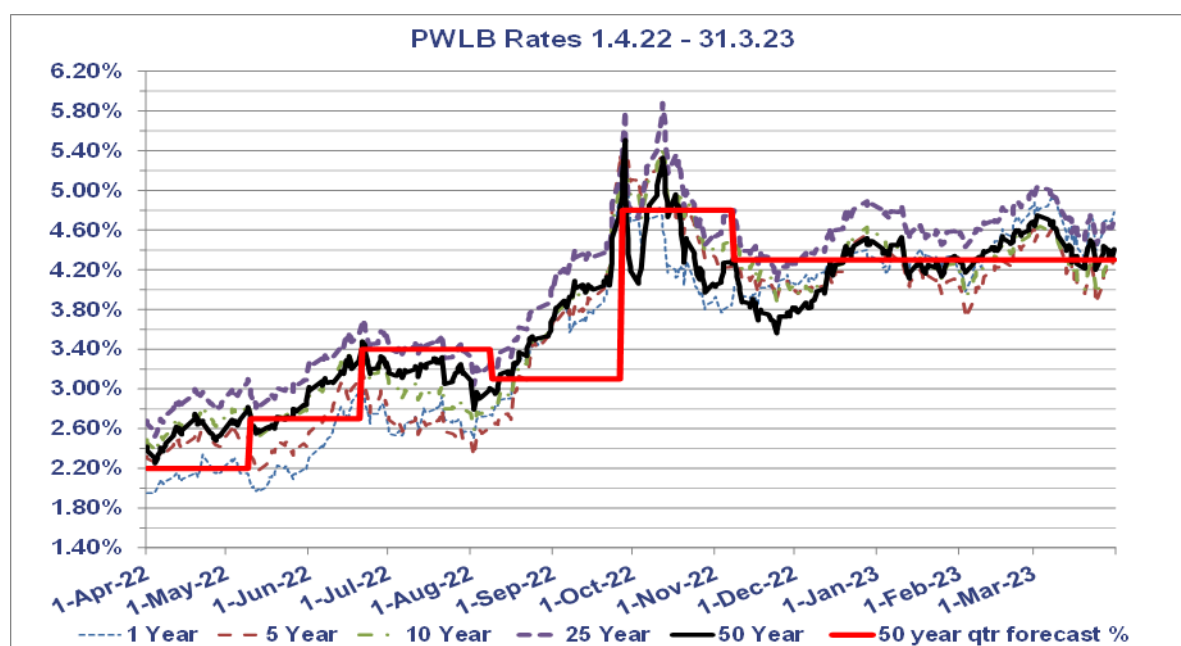
- 5.4 The sea-change in investment rates meant local authorities were faced with the challenge of pro-active investment of surplus cash for the first time in over a decade, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.
- 5.5 With bond markets selling off, equity valuations struggling to make progress and, latterly, property funds enduring a wretched Q4 2022, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration) became more actively used.
- 5.6 Meantime, through the autumn, and then in March 2023, the Bank of England maintained various monetary policy easing measures as required to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress.
- 5.7 Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the 2008/9

6 Borrowing Strategy and Control of Interest Rate Risk

- 6.1 During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.
- 6.2 The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 6.3 The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. No new loans were drawn down from PWLB in 2022/23 to fund the net unfinanced capital expenditure and/or to replace maturing loans.
- 6.4 In taking this decision, the Council carefully considered achieving best value, the risk of having to borrow at higher rates at a later date, the carrying cost of the difference between interest paid on such debt and interest received from investing funds which would be surplus until used, and that the Council could ensure the security of such funds placed on temporary investment.

7 Interest Rates

- 7.1 Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 10% in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.
- 7.2 The tables below illustrate the change in Public Work Loans board (PWLB) rates throughout the year.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.45%	5.88%	5.51%
Date	28/09/2022	28/09/2022	12/10/2022	12/10/2022	28/09/2022
Average	3.57%	3.62%	3.76%	4.07%	3.74%
Spread	3.16%	3.26%	3.09%	3.36%	3.26%

- 7.3 PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields.
- 7.4 Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc.
- 7.5 This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.
- 7.6 However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods.

- 7.7 In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.
- 7.8 There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate first rises to dampen inflationary pressures and a tight labour market, and is then cut as the economy slows, unemployment rises, and inflation (on the Consumer Price Index measure) moves closer to the Bank of England's 2% target.
- 7.9 As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.
- 7.10 The Bank of England is also embarking on a process of Quantitative Tightening, but the scale and pace of this has already been affected by the Truss/Kwarteng "fiscal experiment" in the autumn of 2022 and more recently by the financial market unease with some US (e.g., Silicon Valley Bank) and European banks (e.g., Credit Suisse). The gradual reduction of the Bank's original £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.

8 Investment Outturn for 2022/23

- 8.1 The Council's investment policy is governed by DLUHC guidance, which was implemented in the annual investment strategy approved by the Council on 9 February 2022. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).
- 8.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 8.3 Resources – the Council's longer-term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources comprised as follows, and met the expectations of the budget:

Balance Sheet Resources - General Fund (£'000)	31/03/2022	31/03/2023
GF Balances	3,723	3,723
Earmarked reserves	10,219	8,476
Capital Grants & Contributions	9,139	9,326
Provisions	-	-
Usable capital receipts	956	10,096
Total	24,037	31,621

Balance Sheet Resources - HRA (£'000)	31/03/2022	31/03/2023
HRA Balances	4,495	3,342
Earmarked reserves	86	86
Major Repairs Reserve	10,041	10,051
Usable capital receipts	9,815	8,779
Total	24,437	22,258

8.4 Investments held by the Council.

8.5 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority'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.

8.6 At 31 March 2023 the Council held investments totalling £25.255m in a mixture of Treasury and Non-Treasury investments illustrated in the tables below. Interest received on Treasury Investments was £0.55m in 2022/23 compared to £0.02m in the previous year because of base rate increases during the financial year. Interest received on Non-Treasury Investments was £0.69m in 2022/23 compared to £0.3m in the previous year. Additional interest was on loans to a council owned subsidiary company (Aspiration Homes Limited)

INVESTMENT PORTFOLIO	31/03/2022	31/03/2022	31/03/2023	31/03/2023
	Actual	Actual	Actual	Actual
	£'000	%	£'000	%
Treasury investments				
Banks	15,966	48.0%	18,907	95.0%
Building Societies - rated	-	0.0%	-	0.0%
Building Societies – unrated	-	0.0%	-	0.0%
Local authorities	-	0.0%	-	0.0%
DMADF (H M Treasury)	17,300	52.0%	1,000	5.0%
Money Market Funds	1	0.0%	-	0.0%
Total managed in house	33,267	100.0%	19,907	100.0%
Bond funds	-	0.0%	-	0.0%
Property funds	-	0.0%	-	0.0%
Cash fund managers	-	0.0%	-	0.0%
Total managed externally	-	0.0%	-	0.0%
Total Treasury Investments	33,267	100%	19,907	100%

Non-Treasury investments				
Third party loans	612	22.3%	517	19.5%
Subsidiaries	2,132	77.7%	2,132	80.5%
Companies	-	0.0%	-	0.0%
Property	-	0.0%	-	0.0%
Total Non-Treasury Investments	2,743	100.0%	2,648	100.0%
Total Investments	36,010	100%	22,555	100%

9 Executive Summary and Conclusion

- 9.1 During 2022/23, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

Prudential and treasury indicators	31.3.22	2022/23	31.3.23
	Actual	Original	Actual
	£'000	£'000	£'000
Capital expenditure			
Non-HRA	8,625	26,056	9,849
HRA	5,604	12,628	8,668
Total	14,229	38,684	18,517
Capital Financing Requirement:			
Non-HRA	21,014	31,626	22,902
HRA	74,989	74,989	74,989
Total	96,003	106,615	97,891
Gross borrowing	75,774	67,931	79,374
External debt	51,673		51,673
Treasury Investments			
Longer than 1 year	33,267		19,907
Under 1 year	0		0
Total	33,267		19,907
Net borrowing	18,406		31,766

- 9.2 Other prudential and treasury indicators are to be found in the main body of this report. The Chief Finance Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the Authorised limit), was not breached. The financial year 2022/23 continued the challenging environment of previous years; low investment returns, and continuing counterparty risk continued.

10 The Economy and Interest Rates Forecast

- 10.1 The Council's treasury advisor, Link, provides the Economy and Interest Rates Forecast, which is attached as Appendix C.

11 Other

- 11.1 **IFRS 9 fair value of investments:** Following the consultation undertaken by the Department of Levelling Up, Housing and Communities [DLUHC] on IFRS 9, the Government has extended the mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.
- 11.2 **IFRS 16:** The implementation of the new IFRS 16 Leases accounting standard to currently off-balance sheet leased assets onto the balance sheet was due to come into force for local authorities from 1st April 2022. Following a consultation of CIFPA/LASAAC it was agreed that implementation of the standard would be deferred until 1 April 2024, impacting financial statements for the period 2024/25 onwards.

12 Environmental, Social and Governance (ESG) Update

- 12.1 The Councils Treasury Management and Investment Strategy provide the basis for the exploration of Non-Specified investments in Green Energy Bonds and/or other ESG products that met the Council's internal and external due diligence criteria. The Council external treasury management advisors (Link Asset Services) have been asked to conduct a review looking into what potential investment options would be available to the Council that would fulfil the Council's objective of supporting climate related activities including investing with regard to Environmental, Social and Governance concerns (ESG).
- 12.2 Two reports have now been received regarding specific initiatives to encourage local participation. The first in Community Municipal Bonds through a crowdfunding platform to raise finance for green and social projects. The second initiative which provides loans to homeowners for repairs and adaptations to improve energy efficiency through a partner agency. Officer will use the information included in these reports to help inform their decisions and advise members accordingly.
- 12.3 The Council use the **Standard Chartered Bank Sustainable Time Deposit**, which function 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.

These loan and project assets include green financing, sustainable infrastructure projects, microfinance 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.



13 Investment Consultants

- 13.1 The Council has a contract with Link Treasury Services Limited who act as the Council's Treasury Adviser. The Link Treasury Services has been appointed to support both the Lewes District Council and Eastbourne Borough Council, given that a shared finance team (with treasury management responsibility) has been established. The Link contract was extended on 30 May 2023 for a further two years.

14 Corporate plan and council policies

- 14.1 The priority themes were considered as part of the overall Capital Programme which forms part of the Treasury Management Strategy.

15 Financial appraisals

- 15.1 Financial appraisals were considered as part of the overall Capital Programme which forms part of the Treasury Management Strategy.

16 Legal implications

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

17 Risk management implications

- 17.1 Risks relating to the timing of borrowing and terms of borrowing are considered and advice is provided by Link. Risk management is considered for each of the schemes within the Capital Programme.

18 Equality analysis

- 18.1 Equality issues are considered.

19 Appendices

- Appendix A - The Economy and Interest Rates
- Appendix B– Glossary - Local Authority Treasury Management Terms

20 Background papers

The Background Papers used in compiling this report were as follows:

CIPFA Treasury Management in the Public Services code of Practice (the Code)

Cross-sectorial Guidance Notes

CIPFA Prudential Code

Treasury Management Strategy and Treasury Management Practices.

Link Asset Services Citywatch and interest rate forecasts

Appendix A

The Economy and Interest Rates by Link Treasury Services Limited

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps in 2022. The table below provides a snapshot of the conundrum facing central banks, inflation is elevated but labour markets are extraordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	4.25%	3%	4.75%-5%
GDP	0.1%q/q Q4 (4.1%y/y)	+0.1%q/q Q4 (1.9%y/y)	2.6% Q4 Annualised
Inflation	10.4%y/y (Feb)	6.9%y/y (Mar)	6.0%y/y (Feb)
Unemployment Rate	3.7% (Jan)	6.6% (Feb)	3.6% (Feb)

Q2 of 2022 saw UK GDP deliver growth of +0.1% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing.

Q4 GDP was positive at 0.1% q/q. Most recently, January saw a 0.3% m/m increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% q/q rise in real household disposable incomes. A big part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.

Nevertheless, CPI inflation picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. On balance, most commentators expect the CPI measure of inflation to drop back towards 4% by the end of 2023. As of February 2023, CPI was 10.4%.

The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact remains, however, that with many economic participants registered as long-term sick, the UK labour force shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food (up 18.3% y/y in February 2023) and energy that have endured since Russia's invasion of Ukraine on 22 February 2022.

Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

In the interim, following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of the 17th of November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have reversed the increases seen under the previous tenants of No10/11 Downing Street, although they remain elevated in line with developed economies generally.

As noted above, GDP has been tepid throughout 2022/23, although the most recent composite Purchasing Manager Indices for the UK, US, EZ and China have all surprised to the upside, registering survey scores just above 50 (below suggests economies are contracting, and above suggests expansion). Whether that means a shallow recession, or worse, will be avoided is still unclear. Ultimately, the MPC will want to see material evidence of a reduction in inflationary pressures and a loosening in labour markets.

Realistically, that is an unlikely outcome without unemployment rising and wage settlements falling from their current levels. At present, the bigger rise in employment kept the ILO unemployment rate unchanged at 3.7% in January. Also, while the number of job vacancies fell for the ninth consecutive month in February, they remained around 40% above pre-pandemic levels.

Our economic analysts, Capital Economics, expect real GDP to contract by around 0.2% q/q in Q1 and forecast a recession this year involving a 1.0% peak-to-trough fall in real GDP.

Sterling has remained resilient of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.23. Notwithstanding sterling’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 4.5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

As for equity markets, the FTSE 100 started 2023 strongly, rising to a record high of 8,014 on 20th February, as resilient data and falling inflation boosted earnings. But global equities fell sharply after concerns over the health of the global banking system emerged early in March. The fall in the FTSE 100 was bigger than the drop in the US S&P 500. Indeed, at around 7,600 now, the FTSE is 5.2% below its record high on 20th February, while the S&P 500 is only 1.9% lower over the same period. That’s despite UK banks having been less exposed and equity prices in the UK’s financial sector not falling as far. It may be due to the smaller decline in UK interest rate expectations and bond yields, which raise the discounted value of future earnings, compared to the US.

Appendix B

GLOSSARY

Local Authority Treasury Management Terms

Terms	Descriptions
Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owed, and bonds issued.
CFR	Capital Financing Requirement. A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
Collective investment scheme	Scheme in which multiple investors collectively hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Cost of carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
DLUHC	Department for Levelling Up, Housing and Communities (<i>formerly known as Ministry of Housing, Communities & Local Government - MHCLG</i>).
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.
Equity	An investment which usually confers ownership and voting rights

Terms	Descriptions
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
Income Return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
GILT	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.
LOBO	Lender's Option Borrower's option
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to Constant Net Asset Value (CNAV) and Low Volatility Net Asset Value (LVNAV) funds with a Weighted Average Maturity (WAM) under 60 days which offer instant access, but the European Union definition extends to include cash plus funds
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Quantitative easing (QE)	Process by which central banks directly increase the quantity of money in the economy to promote GDP growth and prevent deflation. Normally achieved by the central bank buying government bonds in exchange for newly created money.
SONIA	Sterling overnight interest average – a benchmark interest rate for overnight deposits.
Short-dated	Usually means less than one year
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.

This page is intentionally left blank

Motion – To Support the Clean Air (Human Rights) Bill

Submitted by Councillor Francomb

Preamble:

Poor air quality is the greatest environmental risk to public health in the UK. It is known to exacerbate the impact of pre-existing health conditions, such as respiratory and cardio-vascular illnesses, especially for the elderly and infants¹. Each year in the UK, around 40,000 deaths are attributable to outdoor air pollution². According to the Royal College of Paediatrics and Child Health air pollution has a significant impact on child development, and is linked to widening inequalities³

The main pollutants of concern in Sussex are nitrogen dioxide, particulates, and ground level ozone. The main local source of pollution is traffic. In East Sussex approximately 3,000 life years are lost to particulate pollution each year⁴.

The Clean Air (Human Rights) Bill (known as Ella's law) would establish a human right to clean air and require the government to limit the concentration of air pollutants to World Health Organization (WHO) guidelines (more stringent than most UK limits). Action would be delivered via the UK Health Security Agency setting and reviewing pollutants and their limits: enhancing the powers, duties and functions of national and local authorities and establishing a Citizens' Commission for Clean Air.

Reading of the Bill has been postponed from 24 February 2023 to 15 December 2023.

Motion:

In line with the Council's 4 year goal to achieve cleaner air we call on the Council to

Lend its support to the Clear Air Bill (Human Rights) Bill as follows:

1. To welcome and support the principles of the Bill and ask the Leader of the Council to write to local MPs asking them to support the Clean Air Bill in Parliament and in public;
2. To call on the Government to bring forward publication of an Air Quality Strategy and provide funding to local authorities in line with identified local Air Quality requirements to ensure local air quality plans can be carried on year on year; and
3. To ask the Policy and Performance Committee to consider and review the Council's Air Quality Status Report on an annual basis.

¹ DEFRA Air Pollution in the UK 2019 – published September 2020

² . The Royal College of Physicians report "Every Breath We Take" published in 2016

³ <https://www.rcpch.ac.uk/news-events/news/rcpch-launches-action-support-clean-air-human-rights-bill>

⁴ [air-quality-local-briefing-december-2017-final \(1\).pdf](#)

This page is intentionally left blank

Motion - South East Water - Submitted by Councillor Bristow

Preamble:

As our climate changes and we face more weather extremes our water industry is clearly failing. As Councillors we have debated long and hard the issues we face from Southern Water (who are responsible for wastewater management) and its continued pollution into our waterways; however, we have not adequately addressed the performance of South East Water who are responsible for our water supply.

Most of the Lewes District currently sits under a hosepipe ban after continued issues with South East Water not being able to supply enough houses due to demand outreaching supply. On two occasions this has happened in Newhaven and for periods in excess of 8 hours at a time: the area had no water on what were some of the hottest days of the year.

Harbour Primary School in Newhaven was forced to close without notice due to lack of water, one of 4 schools in East Sussex similarly affected in June.

It is understood that South East Water lose 88.7 million litres of water a day through leaks in its network - a staggering amount of water. Residents face increased bills with South East Water increasing its charges by almost 10% in February. In the last 2 years the company- which was debt-free when privatised - has chosen to pay dividends of £156m to its shareholders and financed these dividends by loading its balance sheet with debt on which it paid £76m in interest.

South East Water blames the climate for many of its leaks with the ground drying out and shrinking and moving pipes. It further argues that consumption has increased as many more people now work from home. Neither argument relieves them of its statutory duty to supply clean water and maintain the network on behalf of its customers. There is much frustration with South East Water's poor response to leaks with one in South Highton lasting 2 years and a large leak in Newhaven now lasting a month despite numerous reports.

Our water system is not climate ready and continues to deteriorate; I, therefore, request this Council takes the following actions:

Motion:

That the Council:

1. Asks the Policy and Performance Advisory Committee to request the attendance of David Hinton or a member of the Senior Management Team of South East Water before the Committee to explain how it is going to become climate resilient and to seek answers on what future steps it is taking to improve resources and how much of its current old cast iron network has been replaced;
2. Declares a vote of no-confidence in South East Water; and
3. Declares a Water emergency and appoints a water champion to monitor the performance of both companies (Southern Water and South East Water) and to report back to the Full Council through an outside bodies report when appropriate.

This page is intentionally left blank

Agenda Item 17

Outside Bodies – Reports from Councillors

The following updates have been received from Councillors in relation to the outside bodies to which they have been appointed by Full Council:

	Outside Body	Councillor	Update
1	3VA Quarterly Board meeting	Christine Brett	<p><u>Date of meeting:</u> 25 May 2023</p> <p><u>Business discussed:</u></p> <ul style="list-style-type: none"> • Introduction of new Financial Director, Ronke Adijebo, who set out her plans to move things forward/ • Chief Exec report on staffing changes - a new community officer for Lewes is being recruited and has taken on the Eastbourne Food Partnership. There is also some collaboration with Lewes District one with SCDA. • ESCC quarterly report. • Homes for Ukraine Update- concern that ESCC has reduced the fees for the next year of this, but it was felt this crucial work must continue or reputation would be damaged. Staffing changes here as well but experienced people promoted and recruited. • Same has taken place with the other 2 East Sussex VAs (i.e., Wealden are supporting far more refugees). • Volunteering Update- desperate shortage everywhere now aiming to engage more young people to volunteer. • Project updates given on Making it Happen (Eastbourne), Preventative project on Violence and Exploitation (Eastbourne) and Wealden Food partnership Update. <p>There will be another Celebrating Communities event in Uckfield on 20 September. 2.30pm</p> <p><u>Decisions made:</u> None - this was an update reports meeting.</p>
2	South Downs National Park Authority	Daniel Stewart-Roberts	<p><u>Date of meeting:</u> 11 July 2023</p> <p><u>Business discussed:</u> Annual General Meeting Appointments of committees and outside bodies</p>

	Outside Body	Councillor	Update
			<p>Corporate Plan Budget monitoring – provisional outturn 22/23 West Sussex Joint Mineral Plans Assessment Member Code of Conduct Business plan of South Downs Commercial Operations Ltd (operator of Seven Sisters Country Park)</p> <p><u>Decisions made:</u> Approval of resolutions related to above</p>
3	Armed Forces Champion	Daniel Stewart-Roberts	<p>There were three meetings or events attended during this period:</p> <p>1. <u>Date of meeting:</u> 8 June 2023</p> <p><u>Business discussed:</u> Briefing on activities of regular, reserve and cadet forces.</p> <p><u>Decisions made:</u> N/A</p> <p>2. <u>Date of meeting:</u> 24 June 2023</p> <p><u>Business:</u> Armed Forces Day Parade, Seaford</p> <p><u>Decisions made:</u> N/A</p> <p>3. <u>Date of meeting:</u> 29 June 2023</p> <p><u>Business:</u></p> <ul style="list-style-type: none"> • Armed Forces District and Borough Champions Meeting • Draft Information Pack for Armed Forces Champions • Armed Forces Covenant Re-signing event: Autumn 2023 and the Armed Forces Covenant: Re-signing process <p><u>Decisions made:</u> N/A</p>
4	Newhaven Town Deal Board	Zoe Nicholson and Christine Robinson (for July meeting).	<p>Meetings took place in May and July:</p> <p>1. <u>Date of meeting:</u> 15 May 2023 (apologies sent for this meeting)</p> <p><u>Business discussed:</u></p> <ul style="list-style-type: none"> • Updates were provided on each of

	Outside Body	Councillor	Update
			<p>the 11 Newhaven Town Deal projects.</p> <ul style="list-style-type: none"> • Minutes from the meeting are available on the website. <p><u>Decisions made:</u></p> <ul style="list-style-type: none"> • No decisions were required by the Board at the meeting. <p>2. <u>Date of meeting:</u> 14 July 2023 (apologies sent for this meeting)</p> <p><u>Business discussed:</u></p> <ul style="list-style-type: none"> • The Pathfinder Simplification Pilot was announced to Board members - if LDC participates in the pilot, the remit and scope of the Board will be expanded to have strategic oversight over the aggregated portfolio. • Updates were provided on all the Town Deal, Future High Streets Fund and Levelling up Fund projects being delivered across Newhaven. • Minutes from the meeting will be published on the website when available. <p><u>Decisions made:</u></p> <ul style="list-style-type: none"> • No decisions were required by the Board at the meeting.
5	Wave Leisure Trust	Laurence O'Connor	<p><u>Board meetings:</u> 28 November and 6 February.</p> <p><u>Health and Safety Committee meetings:</u> 19 December, 20 March, 30 May.</p> <p><u>Update:</u> With the summer here Wave Active has taken over responsibility for Saltdean Lido. Whilst the recruitment of Lifeguards remains challenging, the site opened on 17 May and has been running very successfully since. The standard of service provided has been well received by local residents.</p> <p>Membership continues to recover and grow following the pandemic with over</p>

	Outside Body	Councillor	Update
			<p>12% increase in the past year. In addition, Wave Swim School has also performed well, growing 9.6% over the course of the year. This has all contributed to a healthy income in the year with profits, which go back into the business better than expected.</p> <p>It is important for me to say that it has long been Wave's aim to link with health services to help people with their health and wellbeing. This is a driving force behind many of the new initiatives that the Trust is working towards with the support of Lewes District Council.</p>
6.	Sussex Police and Crime Panel	Paul Keene	<p><u>Date of Meeting:</u> 30 June 2023</p> <p><u>Business discussed:</u></p> <ul style="list-style-type: none"> • Councillor Judy Rogers of Hastings, Castle Ward and Councillor Andrei Czolak of Brighton, Brunswick & Adelaide Ward were elected as Chair and Deputy Chair of the Panel respectively. • Several issues were raised by Panel members, including my querying the views of Commissioner Katy Bourne on the issue of Facial Recognition and Gait Analysis, the application of AI-related technologies by the Police, and her view on the position of Sussex Police in light of the Mitting and Casey Reports. • Further issues have been highlighted by the Chair, Councillor Judy Rogers in a letter to the Commissioner as part of the Statutory Scrutiny of her Annual Report 2022/23 as below, with a request for a response by 11 August: <ul style="list-style-type: none"> ○ Panel members acknowledged the success of the Rural Crime Team and suggested more mention could be made of its work within the Report, or as part of ongoing communication with residents.

	Outside Body	Councillor	Update
			<ul style="list-style-type: none"> ○ Feedback received from residents called into question the effectiveness of hotspot policing in certain areas of Sussex, and members questioned how the Commissioner was measuring performance under the initiative. ○ Whether more could be done by Sussex Police to promote the role of Police Community Support Officers as a long-term career choice in itself, as opposed to being considered a stepping stone to becoming a police officer. ○ Members questioned the generally positive nature of the Annual Report, whilst raising concerns about the findings in some areas, in the light of the HMICFRS PEEL inspection report considered later on the same agenda, particularly when evidence of good or improved performance in the Report was based on crime data that the Inspectorate had called into question. <p>Minutes of the meeting will be published on the Sussex Police and Crime Panel website.</p>

This page is intentionally left blank