

Cabinet Agenda

Monday, 4 September 2017 at 6.00 pm

Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY

For further information, please contact Michael Courts on 01424 451764 or email mcourts@hastings.gov.uk

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1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Notification of any additional items	
4.	Minutes of the meeting held on 10 July 2017 and 17 July 2017	1 - 30
5.	Coastal Communities Fund (CCF) Round 4 (Monica Adams-Acton, Assistant Director Regeneration and Culture) (Cabinet Decision)	31 - 38
6.	Annual Treasury Management Report 2016/17 (Peter Grace, Assistant Director, Financial Services and Revenues) (Council Decision) Exclusion of the Public To resolve that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of "exempt" information as defined in the paragraphs to schedule 12A to the Local Government Act 1972 referred to in the relevant report. Confidential Business	39 - 52
7.	Procurement of Hybrid Mail Solution (Jane Hartnell, Director of Corporate Services and Governance) (Cabinet Decision)	53 - 60
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10 JULY 2017

Present: Councillors Chowney (Chair), Forward, Poole, Batsford, Beaney, Fitzgerald and Lee

Apologies for absence were noted for Councillor Patmore

1. **MINUTES OF THE MEETING HELD ON 3 APRIL 2017 AND THE SPECIAL CABINET MEETING HELD ON 15 MAY 2017**

RESOLVED that the minutes of the meeting held on 3 April 2017 and the Special Cabinet meeting held on 15 May 2017 be approved and signed by the Chair as a correct record

RESOLVED the Chair called over the items on the agenda, under rule 13.3 the recommendations set out in minute number 6 were agreed without being called for discussion

2. **HASTINGS & ROTHER REDUCING HEALTH INEQUALITIES PROGRAMME**

The Assistant Director, Housing and Built Environment, presented a report which updated members on the delivery of the council-led projects within the NHS Hastings and Rother Clinical Commissioning Group's (CCG) Healthy Hastings and Rother (HHR) programme 2015/16 and 2016/17. The report also sought approval for the enhanced programme of council-led projects funded from the CCG's HHR programme in 2017/18, 2018/19 and 2019/20.

Richard Watson, Programme Manager for the CCG, attended the meeting. He explained that the CCG acknowledged the high levels of deprivation and health inequality in some parts of the Hastings and Rother. The programme had been designed to address the key thematic areas of preventing ill health, supporting people experiencing ill health, health and wellbeing centres and healthy housing – people and places. He added that the CCG valued the opportunity to work in partnership with partners across the statutory and community sector to deliver the programme.

CCG funding of £1.711 million had been allocated over this financial year and the two subsequent financial years until 31 March 2020. The funding had been allocated to support a variety of initiatives to address domestic violence, adult learning, healthy homes and rough sleeping.

The report also provided an update on projects from the 2015/16 and 2016/17. It was noted that some of the projects had been delayed, and would therefore be extended into subsequent programme.

Cabinet thanked all those involved in supporting the programme.

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Cabinet amended the third recommendation of the report, as set out in the resolution below. Councillor Batsford proposed approval of the amended recommendations to the Assistant Director, Housing and Built Environment's report, which was seconded by Councillor Lee.

RESOLVED (unanimously) that:

- 1. Progress with the delivery of the Hastings Borough Council led projects within the CCG Healthy Hastings and Rother Programme,**
- 2. To approve the enhanced programme of council-led projects as described in the report, within the financial resources available as follows:**

2017/18 - £107,752
2018/19 - £1,145,924
2019/20 - £457,600

- 3. To authorise the Director of Operational Services to take the necessary steps to develop and deliver the projects in consultation with the Lead Member for Housing and Leisure**

The reason for this decision was:

To update members on the council-led projects within the NHS Hastings and Rother Clinical Commissioning Group's (CCG) Healthy Hastings and Rother (HHR) programme for 2015/16 and 2016/17. Cabinet are also asked to agree the enhanced programme for 2017/18, 2018/19 and 2019/20.

3. COMPULSORY PURCHASE OF LONG TERM EMPTY HOMES

The Assistant Director, Housing and Built Environment, presented a report for cabinet to consider making compulsory purchase orders (CPO) in respect of twelve privately owned empty homes as part of the Empty Homes Strategy Enforcement Programme. A part II report, which had been included later on the agenda, set out further details of the twelve properties.

CPO action formed part of the enforcement model used by the council to bring long term empty properties back into use. Such actions helped to maintain a supply of housing within the town and address concerns from the local community regarding the condition of empty properties which, in some cases, may also become a target for anti-social behaviour. The Assistant Director, Housing and Built Environment, commented that the council had used this approach successfully on a number of occasions in the past, which had significantly reduced the number of empty and dilapidated properties in the town. He added that CPO action was only considered when all other options to bring the properties back into use had been exhausted. In many cases it had also not been necessary to pursue the full course of CPO action to its conclusion.

Councillor Forward proposed approval of the recommendations to the Assistant Director, Housing and Built Environment's report, which was seconded by Councillor Lee.

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RESOLVED (unanimously) that Cabinet approved the detailed recommendations set out in Part 2 report and approves the making of compulsory purchase orders in respect of the twelve long term empty homes

The reason for this decision was:

The council's empty homes strategy sets out a number of enforcement powers available to the council, including the compulsory purchase of long term empty homes. In addition to taking action to bring empty homes back into use, it is hoped that taking this action will demonstrate to the owners of empty homes that it is unacceptable to leave property empty for an unreasonable period of time. This action will demonstrate to owners of these empty homes that the council will take the necessary action to bring these homes back into use from the benefit of the community.

4. HOUSING RENEWAL FINANCIAL ASSISTANCE POLICY

The Assistant Director, Housing and Built Environment, presented the revised Housing Renewal Financial Assistance Policy. The draft policy set out the financial tools available to the council for providing housing renewal help to households in the Borough.

The government recently announced increased funding to the Better Care Fund, which is used for Disabled Facility Grant (DFG) allocations. The allocation for Disabled Facilities Grants in 2017/18 was £1,543,547.

Local authorities across East Sussex have been working in partnership with the county council and Clinical Commissioning Groups East Sussex Better Together to utilise discretionary powers under the Regulatory Reform Order. The draft policy was sufficiently flexible to enable the council to support innovative projects to improve the lives of disabled residents.

Councillor Batsford proposed approval of the recommendations to the Assistant Director, Housing and Built Environment's report, which was seconded by Councillor Beaney.

RESOLVED (unanimously) that:

- 1. Cabinet approve the revised Housing Renewal Financial Assistance Policy 2017-2020, and;**
- 2. Delegated authority is given to the Assistant Director, Housing and Built Environment, in consultation with the Housing and Leisure Portfolio Holder to introduce and develop new types of assistance that enable existing and new sources of funding to be targeted at eligible clients**

The reason for this decision was:

In order to provide financial assistance for housing renewal the council must have an adopted policy.

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To be able to respond promptly to new freedoms provided by the provision of Disabled Facilities Grant funding through the Better care Fund delegated authority is requested to develop and adopt new funding tools.

5. ENVIRONMENTAL HEALTH SERVICE ENFORCEMENT POLICY

The Assistant Director, Environment and Place, submitted a report which recommended approval of an updated Environmental Health Service Enforcement Policy.

The Environmental Health Service Enforcement Policy covered a range of enforcement activities, including food safety, health and safety, environmental protection (air, water, and land), stray dogs and pest control. The policy formed part of an umbrella corporate policy, which covered all enforcement activities carried out by the council, and reflected the principles of the 2014 Regulators Code. Adopting the policy would help to ensure that the council continued to carry out enforcement activities in a fair, proportionate and consistent manner.

Under rule 13.3 of the council's constitution, this item was agreed without being called for discussion.

RESOLVED that:

- 1. The revised Environmental Health Service Enforcement Policy is approved, as attached at appendix 1 to the report, and;**
- 2. In future, in consultation with the Lead Member for Environment and Equalities, the Director of Operational Services, the Assistant Director Environment and Place and the Chief Legal Officer, to review and update the council's Environmental Health Service Enforcement Policy on an ongoing basis as and when necessary, in response to legislative changes, developing best practice and revised statutory guidance.**

The reason for this decision was:

1. To ensure that enforcement action by the Environmental Health Service continues to be undertaken in a fair, proportionate and consistent manner.
2. To provide evidence to courts, defendants, businesses and the public that the Environmental Health Service undertakes its enforcement activities in accordance with an approved framework.
3. To incorporate the principles set out in the Regulators Code which came into statutory effect in April 2014 to provide a clear, flexible and principles-based framework for how regulators should engage with those they regulate.

6. CABINET APPOINTMENTS TO COMMITTEES, WORKING GROUPS AND PARTNERSHIPS

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The Chief Legal Officer submitted a report regarding the appointment of Cabinet members to committees, working groups and partnerships. Nominations had been received from both group leaders to fill the places available.

The Chief Legal Officer advised that the following nominations had been received since the agenda was published. Councillors Patmore and Edwards were appointed to sit on Museums Committee, Councillors Batsford and Poole were appointed to sit on Charity Committee, Councillor Clarke was appointed to sit on Member Training and Development Group, Councillor Patmore was appointed to sit on Hastings Country Park Management Forum, Councillor Rankin was appointed to sit on the Order of 1066, Councillors Poole, Forward, Chowney and Rankin were appointed to sit on Personnel Consultative Group, Councillor Atkins was appointed to sit on the Stade Partnership, Councillor Lee was appointed to sit on Hastings Local Strategic Partnership, Councillor Beaver was appointed to sit on Hastings Athletics Track Committee, Councillor Fitzgerald was appointed to sit on East Sussex Community Safety Partnership, Councillor Forward was appointed to sit on Hastings and Rother Transport Action Group.

Councillor Lee advised that Councillor Cooke was to be appointed to Working Arrangements Group.

A copy of the schedule of nominations agreed at the meeting is attached at Appendix A and B to the minutes.

Councillor Poole proposed approval of the recommendations to the Chief Legal Officer's report, subject to the above amendments, which was seconded by Councillor Lee.

RESOLVED (unanimously) that:

- 1. Members be appointed to committees, working groups, partnerships, and representative bodies as set out in Appendix A and B to the minutes, and;**
- 2. Chairs and Vice Chairs of Charity Committee and Museums Committee be appointed, as listed in Appendix A to the minutes**

The reason for this decision was:

Members are required to serve on the committees, working groups, partnerships and representative bodies to which Cabinet appoints. Chairs and Vice Chairs are required for the committees that report to Cabinet.

7. MINUTES OF THE MUSEUMS COMMITTEE MEETING HELD ON 19 JUNE 2017

This item was deferred until a later meeting.

8. MINUTES OF THE CHARITY COMMITTEE MEETING HELD ON 26 JUNE 2017

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The minutes of the Charity Committee meeting held on 26 June 2017 were submitted.

RESOLVED that the minutes of the Charity Committee meeting held on 26 June 2017 be received and agreed

Councillor Chowney proposed a motion for the exclusion of the public from the meeting.

RESOLVED (unanimously) that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report.

9. **COMPULSORY PURCHASE OF LONG TERM EMPTY HOMES**

The Assistant Director, Housing and Built Environment, presented a report which set out details of the properties approved for compulsory purchase action (CPO) in minute 4 and the statement of reasons for utilising these powers.

The Assistant Director, Financial Services and revenues, provided some updated financial information at the meeting.

Councillor Forward proposed approval of the recommendations to the Assistant Director, Housing and Built Environment's report, which was seconded by Councillor Lee.

RESOLVED (unanimously) that:

- 1. Cabinet resolve to take the action by means of making Compulsory Purchase Orders for the twelve long term empty homes, listed in the report, under Section 226 (1)(a) of the Town and Country Planning Act 1990 (as amended by the Planning and Compensation Act 2004).**
- 2. Cabinet give authority to the Assistant Director, Housing and Built Environment, or his delegated nominee to execute all relevant documentation required for the compulsory purchase of the twelve homes set out in recommendation one of the report, and;**
- 3. Cabinet give authority to the Assistant Director, Housing and Built Environment, or his delegated nominee to execute and complete the onward sale of the homes set out in recommendation 1 of the report, once they have been acquired.**

The reason for this decision was:

These are long-term empty homes and without compulsory purchase action, officers are of the view that these homes will continue to remain empty. Officers have spent time working to engage with the owners and assist them in bringing their empty homes back into use. These actions have not achieved the desired

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result and it is believed that these homes will now be returned to use without CPO action.

It is hoped that taking this action will demonstrate to the owners of empty homes that it is unacceptable to leave homes empty for an unreasonable time. This action will demonstrate that the council will take the necessary action to bring these homes back into use for the benefit of the community.

In deciding to take compulsory purchase action, regard has to be taken to the provisions of article 1 of the First Protocol to the European Convention on Human Rights and, in the case of dwellings, Article 8 of the Convention. The council has to weigh the human rights interest of public need as against private property rights and to consider that sufficient justification exists for the making of these Compulsory Purchase Orders. By authorising these orders the council is therefore of the opinion that a compelling case exists in the public interest.

The Chief Legal Officer has advised that it is in the public interest that the details of the properties and ownership should not be disclosed since the properties are the subject of report by reason of their being empty homes and disclosure of the detail would expose the properties to possible criminal activity as well as squatting and anti-social behaviour. Further the council's negotiating position might be prejudiced by disclosure of details of valuation.

(The Chair declared the meeting closed at. 6.58 pm)

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APPOINTMENTS TO COMMITTEES, WORKING GROUPS, PARTNERSHIPS ETC. JULY 2017**

COMMITTEES, WORKING GROUP / PARTNERSHIPS

COMMITTEES	SEATS TO BE FILLED	ALLOCATION TO POLITICAL GROUPS 2017/18		APPOINTMENTS for 2017/18		NOTES
		LAB	CON	LABOUR GROUP	CONSERVATIVE GROUP	
Museums Committee	Up to 10	6	2	Forward –Chair Bacon Vice-Chair Howard Sinden Street Cartwright	Edwards Patmore	A Chair and Vice Chair is required for this committee Lead Member is chair.
Charity Committee	3	3		Beaney (Chair) Batsford Poole		Chair to be non-portfolio holder member of Cabinet for the majority group
Discretionary Rate Relief Appeal Panel	Up to 7	5	2	Batsford Beaney Fitzgerald Forward Poole	Lee Patmore	All Members of Cabinet, excluding the Leader, to be appointed to the Panel.

APPENDIX A

Licensing Committee (Scrap Metal Dealers)	Up to 7	5	2	Batsford Beaney Fitzgerald Forward Poole	Lee Patmore	All Members of Cabinet, excluding the Leader, to be appointed to the committee. Functions relating to the licensing of Scrap Metal Dealers as set out in the Scrap Metal Dealers Act 2013 or by virtue of any amending or consolidating legislation and any regulations made under the Act as such amending or consolidating legislation.
Income Generation Board	3	2	1	Chowney Forward	Rankin	Leader and Deputy Leader of the Council and Chair of the Audit Committee

APPENDIX A

WORKING GROUPS ETC	SEATS TO BE FILLED	ALLOCATION TO POLITICAL GROUPS 2017/18		APPOINTMENTS for 2017/18		NOTES
		LAB	CON	LABOUR GROUP	CONSERVATIVE GROUP	
Working Arrangements Group	5	4	1	Street – Chair Cartwright Rogers Scott	Cooke	Opposition member is Vice-Chair
Member Training and Development Group	4	3	1	Poole – Chair Sinden – Vice Chair Cartwright	Clarke	Lead Member is chair
Hastings Country Park Management Forum	5	4	1	Fitzgerald – Chair Street – Vice-Chair Poole Turner	Patmore	Lead Member is chair
Order of 1066	4	3	1	Rogers Sinden B.Dowling	Rankin	To comprise Mayor, Deputy Mayor & 1 member from each Political Group
Joint Waste Committee	2	2		Chowney Fitzgerald		Leader of the Council and Lead Member for Env & Highways
Personnel Consultative Group	4	3	1	Poole Forward Chowney	Rankin	

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PARTNERSHIPS	SEATS TO BE FILLED	ALLOCATION TO POLITICAL GROUPS 2017/18		APPOINTMENTS for 2017/18		NOTES
		LAB	CON	LABOUR GROUP	CONSERVATIVE GROUP	
Stade Partnership	2	2		Bacon Poole		Old Hastings members
Hastings Overseas Student Advisory Council	3	2	1	Roberts Sinden	Atkins	Known as HOSAC
Hastings Local Strategic Partnership	2	1	1	Chowney	Lee	
Safer Hastings Partnership	1	1		Fitzgerald		Relevant Lead Member
Jt. Advisory Cttee. the High Weald AONB	1	1		Street		
Combe Valley (formerly Pebsham) Countryside Park Management Forum	2	2		Howard Webb		
Hastings and Rother Task Force Steering Group	1	1		Chowney		Leader of the Council
Hastings Athletics Track Committee	2	1	1	Batsford Rogers	Beaver	
AmicusHorizon Hastings Area Panel	1	1		Batsford		Relevant Lead Member

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Sussex Police & Crime Panel	1	1		Fitzgerald		Lead Member
East Sussex Health Overview & Scrutiny Committee	1	1		Turner		Needs to be a non-executive Member.
East Sussex Community Safety Partnership	1	1		Fitzgerald		Needs to be either the Chair of the Safer Hastings Partnership or a member of the Sussex Police and Crime Panel.
Big Local North East Hastings	1	1		Charman		Must be Baird, Ore or Tressell member.
Hastings and Rother Transport Action Group	1			Forward		Relevant Lead Member

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CABINET – JULY 2017**APPOINTMENT OF MEMBERS TO REPRESENTATIVE BODIES**

ORGANISATION	SEATS TO BE FILLED	APPOINTMENTS FOR 2017/18
East Sussex Energy Infrastructure and Development Ltd (Sea Change) (This is a directorship)	1	Lead Member for Regeneration - Forward
Love Hastings (formerly Hastings & St Leonards Town Centre Management Group)	1	Leader – Peter Chowney
Hastings Health Improvement Network	1	Rogers
Health & Wellbeing Board	1 (not Health O & S Cttee member)	Beaney
Local Gov. Assoc. – National Body	1	Leader – Peter Chowney
Local Gov. Assoc. – Urban Commission	1	Lead Member for Regeneration – Kim Forward
Local Gov. Assoc. – Coastal Issues Group	1	Lead Member for Regeneration – Kim Forward
South East England Councils	1 (The Leader of the Council)	Chowney

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Present: Councillors Chowney (Chair), Poole, Batsford, Fitzgerald, Beaney and Lee

Apologies for absence were noted for Councillor Forward and Patmore

11. DECLARATIONS OF INTEREST

The following Councillors declared an interest in the minutes:

Councillor	Minute Number	Interest
Chowney	18 – Acquisition of Land in Ore Valley from HBRL and 19 – Community Housing Fund	Prejudicial – he is the council’s appointed Director of Hastings and Bexhill Renaissance Limited
Chowney	12 – Petition: More Public EV charging facilities in Hastings	Personal – he owns a hybrid vehicle and has used the charging points
Poole	18 – Acquisition of Land in Ore Valley from HBRL and 19 – Community Housing Fund	Prejudicial – she attended the HBRL Board meeting when the licence for land in Ore Valley was discussed (although she did not vote on this item). Councillor Poole has also attended board meetings in past as a substitute for Councillor Chowney.
Lee	18 – Acquisition of Land in Ore Valley from HBRL and 19 – Community Housing Fund	Prejudicial – he has signed up to the Heart of Hastings pledge

12. PETITION: MORE PUBLIC EV CHARGING FACILITIES IN HASTINGS

The Sustainability Policy Manager presented the report of the Director of Corporate Services and Governance, which responded to a petition calling for the council to install and encourage local businesses to install additional public charging facilities for electric cars.

The council has worked with other authorities through the Sussex Air Quality Partnership to secure government funding to support the Energise Network. Two public EV charging points were installed at Pelham place and Marina car park. Usage

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of the two sites has been gradually increasing, which reflects the rise in electric vehicle ownership and wider awareness of the national EV network. The council is keen to expand the network, however, this would need to be based on a financial sustainable model, including ongoing maintenance costs. There is currently limited grant funding available which could be used to support the expansion of the network. However, the council will continue to explore funding opportunities which may arise in the future and consider the possibility of expanding the EV charging network as part of its broader income generation ideas.

A number of large supermarket chains have begun install EV charging facilities in their publically accessible car parks. The council will contact local supermarkets and encourage them to install these facilities in their car parks.

Councillor Poole proposed approval of the recommendations to the Director of Corporate Services and Governance's report, which was seconded by Councillor Beaney.

RESOLVED (unanimously) that:

- 1. Cabinet acknowledges the petition but recognises that there is currently limited grant funding available to expand the public EV charging network**
- 2. The petitioner is advised about the limited grant funding available to expand the public EV charging network currently, but that the council will actively seek external funding to support an expansion as appropriate funding becomes available**
- 3. In addition, that as part of the council's income generation work full consideration will be given to the possibility of expanding the public EV network as part of the review, and;**
- 4. The council contact large supermarkets within the borough to find put about their plans to install EV charge points in their car parks and encourage them to do so**

The reason for this decision was:

The petition has been received whilst the council are in the process of researching income generation opportunities and investigating grant funding opportunities for low carbon projects that could include expanding the local EV charging network.

13. CORPORATE PLAN RETROSPECTIVE REPORT ON PERFORMANCE DURING 2016/17 AND PROPOSED PERFORMANCE INDICATOR TARGETS FOR 2017/18

The Director of Corporate Services and Governance submitted a report which advised Cabinet of year-end performance for 2016/17 and the proposed performance indicator targets for 2017/18. The report included the comments which had been received from Overview and Scrutiny Committee on these items; it also gave an outline of performance arrangements for the year ahead.

The corporate plan sets out the council's strategic direction. The report gave an update on performance on a range of key activities throughout 2016/17, it also set out

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the proposed performance indicator targets for 2017/18. Cabinet has delegated authority to agree year end performance and performance indicator targets for the year ahead, prior to publication on the council's website.

Overview and Scrutiny Committee had considered the proposed performance indicator targets at their meeting on 15 June 2017. Scrutiny members had recommended that the performance indicator 2.1, which related to the number of people attending White Rock Theatre performances, continue to be reported to Overview and Scrutiny Committee during 2017/18, given continued council investment in the theatre.

The recommendations of the Director of Corporate Services and Governance's report were agreed without being called for discussion.

RESOLVED that:

- 1. The comments of the Overview and Scrutiny Committee be considered**
- 2. Year-end performance for 2016/17 and proposed performance indicator targets for 2017/18 be approved, and;**
- 3. Cabinet support intentions to continue to improve corporate performance and planning arrangements in line with the council's transformation intentions**

The reason for this decision was:

The council's corporate plan is one of the key documents by which the council is held to account for its performance, therefore honest and transparent reporting back of how well we performance against targets in the previous year is essential. Local people and staff also need to be aware of the targets and standards we have set for ourselves, and where any of these targets have changed from previous years we need to be clear about the reasons why.

14. FINAL ACCOUNTS 2016/17

The Assistant Director, Financial Services and Revenues, submitted a report which set out the draft final accounts position for 2016/17. The draft accounts are subject to an external audit.

The Accounts and Audit Regulations, required the council's section 151 officer to certify the statement of accounts by 30 June each year and to publish them by 30 September.

The final accounts set out variances in the council's income and expenditure since the budget was set for 2016/17, the report included the outturn results for the general fund and capital programme for this period. The council continuously seeks to improve value for money and any over or underspends identified in the final accounts were being investigated to help inform the budget setting process for future years.

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Councillor Chowney proposed approval of the recommendations to the Assistant Director, Financial Services and Revenues, report which was seconded by Councillor Poole.

RESOLVED (unanimously) that:

- 1. Cabinet has reviewed the outturn position on the General Fund for 2016/17**
- 2. Cabinet has reviewed the capital outturn position for 2016/17, and;**
- 3. The 2016/17 outturn position, along with the revised estimates for 2017/18 be taken into account when preparing the 2018/19 budget**

The reason for this decision was:

Compliance with statutory requirements and good practice. The council is accountable for the use of public money and continuously seeks to improve value for money.

The outturn position informs the budget setting process. Where there are under or overspends the reasons behind these are investigated with a view to reallocating resources to meet priorities.

15. PRIORY MEADOW - SUPPLEMENTARY CAPITAL BUDGET

The Assistant Director, Financial Services and Revenues, presented a report which sought agreement to fund the council's share of enhancement work at Priory Meadow shopping centre in Hastings.

The council has a 10% stake in Priory Meadow. A range of works are planned over the next 3 years, which will help to ensure the shopping centre remains attractive for retail and investment, which in turn provides employment opportunities. The council also benefits directly if the additional investment results in income growth.

The recommendations of the Assistant Director, Financial Services and Revenues, report were agreed without being called for discussion.

RESOLVED that:

- 1. A sum of £250,000 (representing the council's 10% share) be allocated towards a programme of work to be undertaken at Priory Meadow shopping centre**

The reason for this decision was:

Works, estimated at some £2.5 million in total are to be undertaken at Priory Meadow shopping centre on a couple of units, new car park machines and signage and potentially a new small development. The council has a 10% stake in Priory Meadow shopping centre, and if this is to be preserved is required to provide a matched contribution.

The council needs to ensure that the town remains attractive for the future to ensure businesses are attracted to, and remain in, Hastings – particularly so as the council will need to ensure business rate growth in the future. The continued updating of the

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centre is welcome for Hastings and the council in particular. The centre provides a significant income stream for the council and these additional works will look to preserve and enhance the income stream in future years.

16. SOCIAL LETTINGS AGENCY 2 YEAR REVIEW

The Assistant Director, Housing and Built Environment, presented a report which advised members of the current financial position of the social lettings agency and presented options for the future of the scheme in light of recent changes to local government funding for homelessness prevention.

The social lettings agency aimed to reduce homelessness, by improving access to private sector accommodation. The scheme had secured leases to 49 units of accommodation over the past 2 years, which had provided housing for over 50 vulnerable households.

In autumn 2016, the government announced a review of funding for temporary accommodation. The acquisition of further leases was suspended until the outcome of the review was known. In March 2017, the government announced that the existing Temporary Accommodation Management Fee would be replaced for a 2 year period by a Flexible Homelessness Support Grant.

The changes to funding arrangements had necessitated a review of the social lettings agency scheme. The report set out three potential options for the future of the scheme; to continue to expand the private sector leasing scheme and increase the level of flexible homelessness support grant used to fund it, to terminate the private sector leasing scheme or to wind down the existing private sector leasing scheme and develop a business case for a new property management service that would operate on a commercial basis similar to that offered by some high street agents, in order to help sustain the current private sector lease scheme tenancies and grow the social lettings agency.

The report recommended that the third option be explored further, as this enabled the council to sustain the current private sector leases within the social lettings agency, whilst continuing to prevent homelessness by improving access to accommodation in the private rented sector. The approach also complimented the council's broader income generation intentions, which were likely to include the creation of a new council-owned housing company.

Councillor Batsford proposed approval of the recommendations to the Assistant Director, Housing and Built Environments report, which was seconded by Councillor Beaney.

RESOLVED (by 5 votes for, to 1 against, with 0 abstentions) that:

- 1. Members consider the impact of the new financial arrangements introduced by central government on the operation of the current social lettings agency scheme, and;**

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2. Members consider the options outlined in the report and agree that option 3 should be pursued as the best way forward

The reason for this decision was:

In February 2015 Cabinet gave approval to pilot a private sector leasing (PSL) scheme as part of the development of a social lettings agency (SLA). The report to cabinet in February 2015 included a feasibility study (carried out by Shelter on behalf of the council) which recommended the formation of an SLA within which two distinct modes of service delivery could be adopted by the council:

- I. Lease accommodation in the private rented sector in order to make accommodation available for people with a housing need and assist with homelessness prevention.
- II. Manage accommodation on behalf of private landlords in competition with high street letting agents

The PSL scheme (described at (I.) above) was set up in April 2015. The PSL scheme was funded by the temporary accommodation management fee (TAMF). This was a demand led payment from government which paid a supplement of £60 per week, per property, in addition to the standard Local Housing Allowance rate. The TAMF payments enabled the scheme to offset the operating costs of managing accommodation. The model proved to be financially viable and was delivering a small surplus to the council on the 49 properties leased.

In March 2017, the government confirmed that the TAMF would be replaced by the Flexible Homelessness Support Grant (FHSG). This is a ring-fenced grant payment for the purposes of homelessness prevention activity. This change to the funding model has changed the nature of the PSL scheme project from an income generating initiative (which successfully provided affordable housing solutions to households) to one which now represents a net cost to the council. As such, the cost effectiveness of the PSL model needs to be compared to the full-range of homelessness prevention activity available while, in addition, its longer-term viability needs to be reviewed.

17. MANAGEMENT RESPONSE TO THE REVIEW OF SCRUTINY ARRANGEMENTS

The Director of Corporate Services and Governance presented a report which responded to the recommendations of a review of current scrutiny arrangements.

In May 2016 the council adopted a single overview and scrutiny committee, combining the responsibilities of the previous services and resources committees. Members had agreed to review the new arrangements six months after the new arrangements had been introduced.

Councillor Howard, as chair of the review team, presented the recommendations to Cabinet. He explained that the team had considered in detail the strengths, weaknesses, opportunities and threats to council's scrutiny arrangements. Members were keen that the overview and scrutiny work programme reflects issues of local concern. The team considered examples of good practice from other authorities and

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changes to working practices which may help to increase the capacity of members and officers. The review team were also keen that overview and scrutiny members explore links with other groups within the council, such as the member training and development group.

The management response recommended that overview and scrutiny members reconsider their proposals in respect of the management response arrangements, as it was considered the present suggestion may not allow for sufficient collective debate.

Councillor Poole proposed approval of the recommendations to the Director of Corporate Services and Governances report, which was seconded by Councillor Fitzgerald.

RESOLVED (unanimously) that:

- 1. Cabinet thank the scrutiny team for their report and recommendations**
- 2. Cabinet accept the following scrutiny review recommendations:**
 - a. That existing Scrutiny arrangements are continued and this report is forwarded to the Leaders of both political parties as a basis for further discussions in specific relation to the capacity issues identified.**
 - b. That Democratic Services draft more detailed roles and responsibilities in relation to key committees starting with Scrutiny. Setting these roles and responsibilities out may assist in the selection of Members for associated committees prior to appointment, ensuring clarity on the demands of the role and key responsibilities.**
 - c. That the Scrutiny Chair meet with the Member Training and Development Group Chair in advance of setting the next work programme to explore opportunities for shared updates and associated training.**
 - d. Scrutiny committee and all members receive a briefing covering: progress on taking a project management style approach to work planning, delivery and review to date and associated opportunities and challenges; and, an outline of tools available to assist in this approach and expectations around use and take up.**
 - e. That Scrutiny consider the following ideas raised by the council's senior managers as potential areas of focus for the 2017/18 Scrutiny work programme as set out in [Appendix A](#) to this report.**

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- f. **Scrutiny Steering Group to consider how we can apply examples of good practice from other authorities to the 2017/18 work programme, for example Inquiry Days***

***Inquiry Day: an inquiry day is a focussed, structured one-off event with presentations and group work. They can be attended by Councillors, community and partner representatives, other stakeholders and council officers to take an overview of a particular issue and provide a forum for questioning invited speakers and witnesses. After the inquiry, recommendations are drafted by the overview and scrutiny team before being sent to the relevant decision maker. This approach may address some of the capacity issues experienced recently, by holding the event on a single day. It would also provide scope to involve members from outside the scrutiny function, if appropriate**

- 3. That recommendation g is not accepted in its current form and that O&S are asked to reconsider this in the light of the management response set out in paragraph 45 of the report**

The reason for this decision was:

To submit and respond to the recommendations arising from the work undertaken by the scrutiny review team.

18. ACQUISITION OF LAND IN ORE VALLEY FROM HBRL

The Director of Operational Services submitted a report which sought approval for the council to take ownership of an area of land known as the former Broomgrove Power Station site and areas of green space in Ore Valley. The site is currently owned by Hastings and Bexhill Renaissance Limited (HBRL). HBRL is in the process of being wound up and its assets transferred to East Sussex Energy Infrastructure and Development Limited (trading as Sea Change Sussex).

The Broomgrove Power Station sit was originally intended for residential use, however, the challenging nature of the site meant the development has not yet been realised.

The report sought approval for the transfer of the land from HBRL to council, together with £700k for the future development of the site, subject to the satisfactory completion of due diligence work. HBRL had agreed to share all previous reports on the condition of the land with the council; however, it will be necessary to commission a further study of options that will inform the future development of the site. A further report would then be brought to Cabinet which will include recommendations on the future use of the site and proposed management arrangements.

The recommendations of the Director of Operational Services report were agreed without being called for discussion.

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RESOLVED that:

- 1) **In consultation with the Deputy Leader of the Council, the Director of Operational Services and the Assistant Director Financial Services and Revenues are authorised to:**
 - a. **Conclude arrangements for the acquisition of the site and the capital receipt subject to satisfactory outcome of due diligence**
 - b. **Commission a report examining the optimum way(s) in which the site could be developed for the benefit of the local community**
 - c. **Agree the details of an agreement with HBRL or its successor bodies about the future use of the site and financial receipt this is informed by the outcome of the due diligence work and a study of potential development options as set out in section 16 of the report**
- 2) **That a future report be brought forward with proposals for the development of the site to include any recommendation for disposal if applicable**

The reason for this decision was:

To facilitate the social and economic regeneration of Ore Valley and the surrounding area.

19. COMMUNITY HOUSING FUND

Councillors Chowney, Lee and Poole, having declared a prejudicial interest in a related matter, left the chamber during the debate on this item. Councillor Fitzgerald took the chair for this item.

The Assistant Director, Housing and Built Environment, presented a report which advised members of an allocation of £244,000 of Community Housing Funds from central government and to outline planned expenditure in respect of the grants funding.

The government has produced guidelines as to how funding can be used to promote community led housing to support and enable local people to play a lead role in solving local housing problems. The criteria to meet the definition of community-led housing schemes included a requirement for the community to be integrally involved throughout the process in key decisions, a presumption in favour of community groups that are taking a long term formal role in ownership, management and stewardship of homes and a requirement that the benefits to the local area and specified community must be clearly defined and legally protected into perpetuity.

The report set out a number of benefits of this approach to housing authorities, such as the ability to provide genuinely affordable housing and promoting community cohesion.

The report noted a £50,000 allocation from the grant to Heart of Hastings Community Land Trust, which was in the process of developing a proposal for the Broomgrove power station site. Further funding had also been set aside to encourage any further community land trust (CLT) proposals which may be brought forward.

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Councillor Batsford proposed approval of the recommendations to the Assistant Director, Housing and Built Environments, report which was seconded by Councillor Beaney.

RESOLVED (unanimously) that:

- 1. The allocation of £50,000 to the Heart of Hastings Community Land Trust from the Community Housing Fund is noted.**
- 2. Up to £50,000 is set aside from the Community Housing Fund for council expenditure that will assist bringing forward a plan and assist with the redevelopment of the former power station site at the Ore Valley.**
- 3. Up to £50,000 is set aside for the council to support any CLT proposals that might be encouraged and enabled in other areas of the borough.**
- 4. £10,000 is committed in support of a county-wide partnership to help share expertise in respect of community-led housing groups.**
- 5. The Assistant Director, Housing and Built Environment, in consultation with the Assistant Director, Financial Services and Revenues, and the Lead Member for Housing, are granted delegated powers to allocate the remaining £84,000 at a later date to the CLT's or other groups, subject to suitable progress being made in respect of Community Self-Build Plans on the former power station land or alternative sites**

The reason for this decision was:

On 23 December 2016, the Department for Communities and Local Government (DCLG) confirmed a £60 million fund to support community-led housing developments in areas where the impact of second homes is particularly acute. Community-led housing is about local people playing a leading role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream housing.

The community housing fund is set at £60 million a year for 5 years. Hastings Borough Council has been given an initial award of £244,098, any subsequent awards will be dependent on how the initial fund is spent. As the funding is ring-fenced the first year's funding in 2016/17 was awarded in two tranches, the second on the basis of an outline expenditure plan submitted by the council which set out its broad plans and commitment to enabling community housing development.

The first year's funding of £244,098 was received after the annual budgets were set. Therefore, there is a requirement for this funding to now form part of the council's budget and for a plan to be formulated setting out how it should be spent.

20. FUTURE WASTE & CLEANSING SERVICES

The Assistant Director, Environment and Place, presented a report which updated members on urgent developments associated with the provision of waste and cleansing services, when the existing contract ends.

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Members of the joint waste partnership and the contractor had agreed to a mutual early termination of the waste and street cleansing contract. It was therefore necessary for the local authority partners to begin the procurement process for a new contract, which will come into effect from 29 June 2019.

Local authorities wishing to participate in a joint procurement exercise for waste services are required to sign an inter-authority agreement by 18 July 2017. The outcome of the procurement exercise will be reported back to Cabinet in autumn 2018 for decision.

The report also sought authority to develop arrangements for a potential in-house street and beach cleansing, bulky waste and fly tip removal service to operate in Hastings from 29 June 2019, subject to this meeting best value requirements.

Councillor Fitzgerald proposed approval of the recommendations to the Assistant Director, Environment and Place's report, which was seconded by Councillor Batsford.

RESOLVED (unanimously) that Cabinet authorises:

- 1. The Chief Legal Officer in consultation with the Director of operational Services to sign the Joint Waste Partnership Inter Authority Agreement attached at appendix one to the report. Committing the council to procure waste services to commence 29 June 2019**
- 2. The Assistant Director, Financial Services and Revenues, in consultation with the Leader of the Council, to increase the 2017/18 budget allocation in support of waste procurement to £75,000. To enable the council to commit to and participate in the East Sussex Joint Waste Partnership joint waste procurement**
- 3. The two Hastings Borough Council members appointed to the Joint Waste Committee, to take key waste services procurement decisions on behalf of the council, in accordance with the constitution of the Joint Waste Committee**
- 4. The Director of Operational Services to develop comprehensive fully costed arrangements for a potential Hastings street cleansing direct services organisation (DSO), which subject to meeting best value criteria, could provide street and beach cleansing, fly tip removal and bulky waste collection services in Hastings from 29 June 2019**

The reason for this decision was:

The existing waste services contract provided through the East Sussex Joint Waste Partnership ends on 28 June 2019, and new arrangements must be in place ready to commence on 29 June 2019, to ensure seamless transition for residents.

21. FLEXIBLE HOMELESSNESS SUPPORT GRANT EXPENDITURE

The Assistant Director, Housing and Built Environment submitted a report which advised members of changes in the way central government funds temporary housing for homelessness households.

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There has been a significant increase in the number of homeless applications the council receives, which reflects broader national trends. A new Homelessness Reduction Act, which was scheduled to be implemented in April 2018, will place additional duties on housing authorities in respect of homelessness prevention. The government had introduced a Flexible Homelessness Support Grant (FHSG) to support these activities.

The report proposed directing these resources towards a variety of homelessness prevention activities over a two year period. The grant can also be used to meet the cost of temporary accommodation. A monitoring group, comprising housing and finance colleagues, will meet on a quarterly basis to review the effectiveness of these initiatives in reducing homelessness.

The recommendations of the Assistant Director, Housing and Built Environments, report were agreed without being called for discussion.

RESOLVED that the new flexible homelessness support grant is committed in support of the proposals outlined in the report and to authorise the Assistant Director, Housing and Built Environment, in consultation with the Chief Finance Officer and Lead Member for Housing, to approve variations to the budget which might occur in response to legislative changes and housing needs over the funding period

The reason for this decision was:

A new Flexible Homelessness Support Grant (FHSG) has been awarded to local authorities by the Department for Communities and Local Government (DCLG) to help cover the additional costs associated with temporary housing costs for homeless households. This ring-fenced grant is finite and fixed for a period of two years covering 2017/18 and 2018/19. It can be applied flexibly for prevention activity and interventions that will help minimise the impact of additional accommodation costs on authorities.

The new funding model replaces the demand led Temporary Accommodation Management Fee (TAMF) previously paid by the Department of Works and Pensions (DWP) and administered by housing benefit departments. The fee helped bridge the gap between standard housing benefit payments and the additional costs associated with the use of temporary accommodation for homeless households. In applying the new funding model the government is seeking to encourage council's to prioritise homelessness prevention measures. This will provide councils with a means of controlling and reducing future expenditure on temporary housing solutions which have a high cost, such as the extended use of commercial bed and breakfast accommodation.

The changes in funding should be viewed within a context of rising levels of homelessness and rough sleeping both nationally and locally. This is resulting in significant increases in service demand and is hampering the ability of councils to achieve successful homelessness preventions. The reasons for increasing numbers of people presenting as homeless are complex; however, they are driven by a lack of affordable housing in both the private and social sector, alongside a lack of adequate

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financial support to enable some low-income households to attain or retain suitable accommodation for their needs.

Councillor Chowney proposed a motion for the exclusion of the public from the meeting.

RESOLVED (unanimously) that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of “exempt” information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report.

22. **COMMERCIAL PROPERTY PURCHASE**

The Assistant Director, Financial Services and Revenues, presented a report for Cabinet to consider the potential purchase of a retail park in Hastings.

Councillor Chowney proposed approval of the recommendations to the Assistant Director, Financial Services and Revenues, report which was seconded by Councillor Poole.

RESOLVED (by 5 votes for, to 1 against with 0 abstentions) that:

- 1. Cabinet agree to purchase the property, subject to the satisfactory completion of due diligence work**
- 2. Delegated authority is given to the Chief Finance Officer, in consultation with the Leader of the Council, to purchase the property at the best possible price up to the figure set out in the report (plus stamp duty, land tax, registration fees, and agents fees plus associated costs). The expected yield on the investment was set out in the report.**

The reason for this decision was:

The retail park has a number of well-known national retailers. It remains important to Hastings that sufficient affordable retail space to be retained in the town to ensure there are attractive locations for companies to base themselves. The premises are currently fully occupied but the leases in place have relatively short durations remaining, negotiations are being undertaken, at the request of the major occupier, to increase the lease period. This would reduce some of the risk to the council.

The council needs to ensure that key areas remain attractive for the future to ensure businesses are attracted to, and remain in, Hastings – particularly so as the council will need to ensure business rate growth in the future.

(The Chair declared the meeting closed at. 8.00 pm)

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Agenda Item 5



Report to: Cabinet

Date of Meeting: 4 September 2017

Report Title: Coastal Communities Fund 4 (CCF4)

Report By: Monica Adams-Acton, Assistant Director, Regeneration & Culture

Purpose of Report

To report approval for delivery of all the CCF 4 projects identified in 'Destination White Rock, Hastings – Continuing the Economic Revival' as approved for funding by the Department of Communities and Local Government on 3rd April 2017, noting that the special urgency provisions have been used. The CCF4 funding will be used to improve the visitor offer in a part of town which sees relatively few visitors currently, and which could benefit from greater footfall.

Recommendation(s)

1. To note delegated authority given to the Director of Operational Services and Portfolio holder for Regeneration and Culture, to enter into agreements with the managing authority and the identified CCF 4 partners to deliver the projects and associated outcomes in accordance with the urgency provisions, as set out Part 4 in the constitution..
2. To approve all the initiatives identified in Destination White Rock Projects (Appendix A).

Reasons for Recommendations

The DCLG approved the funding for the projects identified on 3rd April 2017 and all projects and expenditure needs to be completed by March 2019. Cabinet approval is needed to delegate authority to the Director of Operational Services to enter into agreements with delivery partners, but there was insufficient time for such a decision to be made prior to the authorisation of certain projects given their imminent nature. The urgency provisions, set out in Part 4 of the constitution were therefore used, and Cabinet is asked to note these.

Background

1. Hastings Coastal Communities Team was successful in its recent bid to the Coastal Communities Fund in the latest round (4) of grant funding. Hastings Borough Council is the accountable body for ensuring delivery of the approved funded projects.
2. The grant worth £812,770 is for a project called 'Destination White Rock, Hastings – Continuing the Economic Revival' and will enable the council and its partners to continue the regeneration of the White Rock area with a total project value of £1.081m.
3. Led by the council, the Hastings Coastal Communities Team will manage a portfolio of projects to improve the economic wellbeing of the White Rock area and for it to be viewed as a unique destination in its own right.
4. HBC received the year 1 funds (2107/18) at the end of July 2017. State Aid issues caused delays in preparing the legal agreements for partners, however this has now been resolved and first payments to delivery partners are now imminent.

Destination White Rock - Continuing the Economic Revival

5. The CCF 4 funding will specifically fund the following projects (summary details and project updates are tabled in Appendix A):
6. **Refurbishment of Rock House:** White Rock Neighbourhood Ventures (WRNV) will deliver the projects at Rock House. They have been allocated a total CCF 4 grant of £422,770 and are required to show match funding totalling £64,500.
7. WRNV will provide affordable business development and further commercial space at Rock House, a converted mixed use office block with commercial, community and residential living spaces. This project will deliver a substantial amount of additional business/commercial space for start-up and/or growth of small and micro businesses, primarily within the creative and digital media sector. Since the start of the project WRNV have already completed the conversion on the second and sixth floors and tenants are in place/ready to move in. Within this financial year, they will also be converting the lower ground floor and ground floor for further commercial and incubator spaces.
8. The basement of Rock House, with access via Rock Alley, will also be converted into a cafe/restaurant or similar outlet, subject to change of use consent being granted. It is planned to offer local products complementing the independent retail offer of other outlets in the White Rock area.
9. The adjoining Rock Alley will also benefit, with infrastructure improvements, including surfacing, drainage and pigeon mitigation. WRNV are currently agreeing permissions from the various alley owners, before works can commence, to enable this unique space to be utilised and opened up to the public for events, markets, fairs, and creative and art events.

10. **The Source Park** have been allocated a total CCF 4 grant of £140,000 and are required to show match funding totalling £140,000. They will deliver a BMX Olympic inspired training programme to the local community, including schools. This is being supported by the employment of coaches and transportable BMX ramps. The programme is currently being trialled, and will be launched this September (2017).
11. The Source Park has achieved national and international recognition for its facilities and its competitions, attracting competitors, and visitors, from around the world. CCF4 funding allows The Source Park to also organise and deliver a series of exciting local, regional and international BMX and skateboarding events to attract thousands of visitors extending the season throughout the year, building on the success of their annual international event. The first national event took place in July, with an international event taking place 8 – 10 September and further events in the early part of the New Year, and in 2018/19.
12. **Love Hastings (Hastings Business Improvement District) Board** has now agreed, in principle to manage the Business and Community project under the programme. The White Rock Trust was originally set to deliver this project, however they acknowledge they no longer have the capacity to do so. Love Hastings will work with businesses and the community in the White Rock area to strengthen the network of businesses and community participating the revival of the area.
13. Love Hastings will deliver business-need led training, support HBC to market the area as a destination to visitors and offer regular networking and information sharing opportunities. Delivery of this project by the BID offers strong sustainability, where businesses and the community will have an ongoing support and network far beyond the life of the CCF4 funding and will be involved in the wider work and projects of the BID for the next 5 years.
14. **Hastings Borough Council**, in addition to managing the above delivery partners, has been allocated a total CCF 4 grant of £200,000 and is required to show match funding totalling £64,000.
15. HBC have been allocated capital funding to extend the existing free public seafront public WIFI from the promenade at Robertson Street up through to Hastings Railway station via Rock Alley and Claremont. This will encourage visitors (and residents) making the journey from Hastings station to The Source/pier to do so via Claremont and the Trinity Triangle. The work is currently being tendered via the East Sussex Procurement Hub and, subject to successfully appointing a contractor, installation will begin in October 2017.
16. Capital funding will also be used to refurbish and revitalise the redundant water feature above The Source Park and improvements to the adjacent promenade. The refurbishment will continue the improvements to this area of the promenade, which has been looking tired for some time now, in stark contrast to the improvements to The Source and the pier.

17. Refurbishment of the fountain area will include the engagement of an architect to produce design options and conduct a structural survey of the roof structure. Refurbishment works are due to be completed by March 2018.
18. Hastings Borough Council has also received funding to develop and deliver a marketing campaign for the White Rock area. Working with all the other delivery partners and businesses in the area, it hopes to brand it as a destination to visitors in its own right.
19. As part of the programme Hastings Borough Council and Foreshore Trust is additionally committed to installing 10 new beach huts on the east side of the Pier and introduce a Life Guard Service in the area.

Project Outcomes

20. It is expected that the CCF 4 programme will have considerable impact in the local area in terms of job creation; increase in visitor numbers; and extra spend in the wider community. The table below sets the overall indicators for the programme.

Key Outcomes	Number
Direct jobs created	19
Indirect jobs created	164
Private businesses supported	180
New businesses/social enterprises started	4
Increase in visitor numbers	62,200
New visitor expenditure	£4,212,052
New tourism events supported	12
Trainees (non-vocational)	20
New/upgraded floor space	595 sq. metres
Public realm created/improved	800 sq. metres
Individuals supported	250

Urgency Provision

21. The next of The Source's events are scheduled to take place in September, and White Rock Neighbourhood Ventures are keen to start the remainder of their conversion work immediately. A cabinet decision is ordinarily required to give delegated authority to enter into a service level agreement ('SLA') with delivery partners; without such authority or agreement no monies can be paid out.
22. The DCLG made the first tranche of payments to HBC in July 2017, and it was not felt to be reasonable to wait until the September Cabinet meeting for the SLA delegations to be agreed. The special urgency provisions of the constitution (Part 4, rule 26.16) were therefore used, and the agreement of the chair of cabinet – the Council Leader – and the Chair of Scrutiny Committee secured to allow the legal processes to be secured and the first payments to the delivery partners agreed.
23. An explanatory report to cabinet is still required to be agreed, hence this document.

Policy Implications

24. Equalities and Community Cohesiveness: the projects identified in the CCF 4 programme will engage with communities and business in the White Rock Area and lead to its economic revival.
25. Risk Management: Hastings Borough Council is the accountable body for this fund and will therefore need to oversee the delivery of all projects which will be managed day to day by each partner.
26. Environmental Issues: part of this project is to extend the life guard service to the Pier and ensure the sea water meets all EU bathing water quality standards.
27. Economic/Financial Implications: match funding from HBC has been clearly identified and does not require additional new resources from HBC.
28. Anti-Poverty: all the projects aims to deliver direct and indirect jobs for local people in the area

Wards Affected

All

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	Yes

Additional Information

Appendix A – Destination White Rock Projects

Officer to Contact

Pranesh Datta
pdatta@hastings.gov.uk
014242451784

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When	Partner	Activity - [C] Capital ; [R] Revenue	Proposed Dates	Status of Project
2017-18 April 2017 to March 2018	Rock House business incubator and commercial development (site 1a) Rock Alley (site 1b)	Rock House Lower Ground floor partitioning, new heating, ventilation, decorate [C]	April-Oct 2017	Planning in place. Delay due to confirmation of project funding delay. Grant payments to WRNV delayed as 1) funding form DCLG received on 27th July; 2) HBC SLA to be signed by WRNV
		Rock House Basement shell and core, new kitchen, toilets, heating, ventilation, replace shutters with sliding doors, decorate [C]	April-Oct 2017	Change of use permission required. No other problems envisaged. Delay due to confirmation of project funding delay. Grant payments to WRNV delayed as 1) funding form DCLG received on 27th July; 2) HBC SLA not yet returned signed
		Rock House Ground floor - final fit-out for incubator [C]	April-Oct 2017	Change of use permission required. No other problems envisaged. Delay due to confirmation of project funding delay. Grant payments to WRNV delayed as 1) funding form DCLG received on 27th July; 2) HBC SLA to
		Rock House Second floor - central dividing partition [C]	April-Oct 2017	Claim to be made immediately and subject to approval
		Rock House Sixth floor - refurbish & redecorate [C]	April-Oct 2017	Claim to be made immediately and subject to approval
		Rock House Roof - fully costed feasibility study for extension [R]	Sept-Dec 2017	Feasibility only. Able to start activity on receipt
		White Rock Alleyway - drainage, surfacing, pigeon mitigation etc [C]	July 2017-Feb 2018	Work commenced to obtain permission from the various owners of the alleyway. Conservation area approval needed, hence later start date. Still hopeful of starting this Financial Year if permissions received.
	Source BMX skatepark (site 2)	Employ an Events Organiser, Administrator and Head Coach to start delivering the project. Our retail director will lead recruitment [R]	Apr-17	Events organiser, admin and head coach employed. Grant payments being
		Employ and train all coaches to launch and deliver the various coaching programmes. To be led by Retail Director and Head Coach [R]	April-May 2017	Programme being currently trialled. Will be launched in Sep 17
		Purchase and install video playback software in the Source Skatepark [C]	July-September 2017	Agreed no longer purchasing video play back - capital works on further skate park provision agreed following professional expert feedback and
		First National BMX Event [R]	Jul-17	First National event took place in July 17. First international event due to take place 8th to 10th
		First Series of Regional BMX and Skateboard Events [R]	Due to commence Oct/Nov 2017	First regional event Oct/Nov 2017
	Business Improvement District (LoveHastings Ltd)	Publish 4 newsletters and hold 4 open community meetings to gather data and disseminate information [R]	by March 2018	Project delayed due to WRT no longer having the capacity to deliver the
		Train 10 community volunteers to help gather data and recruit members [R]	quarterly 2017-2018	As above
		Hold biannual community business workshops to better connect the small businesses in the White Rock Area [R]	by March 2018	As above
	HBC Destination White Rock – Fountain, Beach Huts and Wifi (site 3)	Encourage visitors and residents to make active use of the beach in the White Rock Promenade area. As part of this process we intend to: Apply for EU Seaside award for this section of the beach in 2017 [R] Employ project manager and deliver, refurbish and reanimate a high profile and currently redundant water feature and adjacent public space with free WiFi provision in White Rock area [C] Employ and extend the existing lifeguards (8) service to cover this area and encourage active use of the beach [R] Install 12 traditional beach huts, east of the pier, to be let on	April 2017 - March 2018	1) EU Beach Award granted 2) Water Fountain Design work tender now open (Aug 17) 3) Wi-Fi tender now open (July 17) 4) Life Guards now in operation 5) Beach Huts tenders agreed - to be installed by end of August 17.
		Destination White Rock Campaign: HBC will also work with partners, and other local businesses in the area, to promote the area, and encourage visitors coming to Hastings by train to access the seafront via Robertson Street, so benefitting businesses in that area [R]	April 2017 - March 2018	Communications Manager leading for HBC. First meeting with all partners in July 17. Work to commence Sep 17.
HBC Regeneration Team will employ programme coordinator and manage, monitor progress and ensure delivery of all the project [R]		April 2017 - March 2018	Regeneration Officer managing	
2018-19 April 2018 to March 2019	Business Improvement District (LoveHastings Ltd)	Train 10 community volunteers to help gather data and recruit members [R]	by March 2019	see above
		Publish 4 newsletters and hold 4 open community meetings to gather data and disseminate information along with biannual community business workshops [R]	quarterly 2018-2019	see above
	HBC Marketing Campaign & Programme management	Destination White Rock Campaign: Work with partners, and other local businesses in the area, to promote the area, and encourage visitors coming to Hastings by train to access the seafront via Robertson Street, so benefitting businesses in that area [R]	April 2018 - March 2019	see above
		HBC Regeneration Team will programme manage, monitor progress and ensure delivery of all the project [R]	April 2018 - March 2019	see above
2019-20 April 2019 to December 2019 only	HBC Programme management	HBC Regeneration Team will programme manage, monitor progress and ensure delivery of all the project as required.	April 2019 - December 2019	see above

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Agenda Item 6



Report to: Cabinet

Date of Meeting: 4 September 2017

Report Title: Annual Treasury Management Report 2016/17

Report By: Peter Grace
Assistant Director, Financial Services and Revenues

Purpose of Report

This report provides the opportunity for the Cabinet to scrutinise the Treasury Management activities and performance of the last financial year. This report will also be considered by the Audit Committee at its meeting on 21 September 2017.

Recommendation(s)

1. To consider the report – no recommendations are being made to amend the current Treasury Management Strategy as a result of this particular review.
2. Full Council to consider the report and any recommendations made by Cabinet.

Reasons for Recommendations

To ensure that members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2016-17.

Under the Code adopted the Full Council is required to consider the report and any recommendations made.

Introduction

1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2016/17. 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).
2. The primary requirements of the Code are as follows:
 - a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c) Receipt by the Full Council of an annual treasury management strategy report (including the annual investment strategy report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
 - d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Audit Committee.
3. Treasury management in this context is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
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.
5. Member training on treasury management issues was undertaken during the year on 10/01/2017 in order to support members' scrutiny role.
6. This annual Treasury report covers
 - a) capital expenditure and financing 2016-17
 - b) overall borrowing need (the Capital Financing Requirement)
 - c) treasury position as at 31 March 2017;

- d) performance for 2016-17;
- e) the strategy for 2016-17;
- f) the economy and interest rates in 2016-17;
- g) borrowing rates in 2016-17;
- h) the borrowing outturn for 2016-17;
- i) debt rescheduling;
- j) compliance with treasury limits and Prudential Indicators;
- k) investment rates in 2016-17;
- l) investment outturn for 2016-17;

Capital Expenditure and Financing 2016/17

7. 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.
8. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Capital Programme Financing 2016/17	Outturn 2016-17	
	£000's	£000's
Expenditure :		16,896
Borrowing		13,225
Grants:		
Disabled Facilities Grant	966	
Lottery Grants	180	
Coastal Communities	158	
Regional Housing Board	10	
Hastings and St Leonards Foreshore Charitable Trust	127	
East Sussex County Council	50	
Environment Agency	450	
Historic England	9	
Other Grants and Contributions	90	
		2,040
Reserves		934
Capital Receipts		697
Total		16,896

Overall Borrowing Need (Capital Financing Requirement (CFR))

9. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend.
10. Part of the Council's treasury activities is to address the funding requirements for the Council's 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 Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
11. The Council's 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 borrowing need. 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.
12. 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).
13. The Council's 2016/17 MRP Policy was approved as part of the Treasury Management Strategy Report for 2016/17 by Council in February 2016.
14. The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against this scheme.

Table 2 CFR: General Fund	2015/16 Actual £000's	2016/17 Estimate £000's	2016/17 Actual £000's
Opening balance	18,574	18,352	18,064
Add unfinanced capital expenditure	300	13,225	13,225
Less repayments (LAMS)			(1,000)
Less MRP	(501)	(505)	(505)
Less finance lease arrangements	(9)	(9)	(0)
Closing balance	18,064	31,063	29,783

15. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
16. The Council's long term borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2016/17 plus the expected changes to the CFR over 2017/18 and 2018/19 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2016/17. The table below highlights the Council's gross borrowing position against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Table 3 Internal Borrowing Level	2015/16 Actual	2016/17 Estimate	2016/17 Actual
	£000's	£000's	£000's
Capital Financing Requirement	18,574	31,063	29,783
External Borrowing	14,197	20,483	26,469
Net Internal Borrowing	4,377	10,580	3,314

Treasury Position as at 31 March 2017

17. The Council's debt and investment position at the beginning and the end of the year was as follows:

Debt	1 April 2016 Principal	Rate	Maturity	31-Mar-17 Principal	Rate
PWLB Loan 1	£7,500,000	4.80%	2033	£7,500,000	4.80%
PWLB Loan 2	£1,000,000	2.02%	2016		
PWLB Loan 3	£1,000,000	1.63%	2018	£1,000,000	1.63%
PWLB Loan 4	£2,000,000	0.56% (Variable)	2019	£2,000,000	0.40% (*Variable)
PWLB Loan 5	£909,027	3.78%	2044	£909,027	3.78%
PWLB Loan 6	£1,788,235	3.78%	2044	£1,788,235	3.78%
PWLB Loan 7 (Annuity)	£300,000	1.66%	2026	£272,182	1.66%
PWLB Loan 8			2056	£1,000,000	2.92%
PWLB Loan 9			2046	£1,000,000	3.08%
PWLB Loan 10			2036	£1,000,000	3.01%
PWLB Loan 11			2026	£1,000,000	2.30%
PWLB Loan 12			2054	£2,000,000	2.80%
PWLB Loan 13			2028	£1,000,000	2.42%
PWLB Loan 14			2057	£2,000,000	2.53%
PWLB Loan 15			2059	£2,000,000	2.50%
PWLB Loan 16			2060	£2,000,000	2.48%
Total Debt	£14,497,262	3.55%		£26,469,444	3.15%

* Rate at January 2017 (rates change every 3 months)

Table 5	31st March 2016 Principal	31st March 2017 Principal
Investments		
-In-House *	£22.5m	£27.8m
Total Investments*	£22.5m	£27.8m

* excludes deposits held in respect of the Local Authority Mortgage Scheme

Performance Measurement (2016-17)

18. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2016-17.

Table 6	2015 -16 Actual Outturn £000's	2016-17 Revised Budget £000's	2016 -17 Actual Outturn £000's
Gross Interest Payable	509	675	686
Gross Interest Received	(302)	(223)	(301)
Fees	10	6	17
Other (e.g. PWLB Discount)	(53)	(51)	(51)
Net Cost	164	407	351

19. The net interest on the Local Authority Mortgage Scheme (LAMS), as detailed below, is being transferred into the Mortgage Reserve.

Table 7	2015 -16 Actual Outturn £000's	2016-17 Revised Budget £000's	2016-17 Actual Outturn £000's
Gross Interest Payable	36	31	31
Gross Interest Received	(64)	(54)	(54)
Net Surplus	(28)	(23)	(23)

20. 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 are detailed below, and were in line with budget expectations.

Table 8 Reserves	31 March 2016	31 March 2017
	£000's	£000's
General Fund Balance	500	500
Earmarked Reserves	12,650	12,063
General Reserve	7,537	7,520
Total	£20,187	£19,583

It should be noted that Earmarked Reserves includes £1.264m (£1.706m at 31 March 2016) of Clinical Commissioning Group monies

The Strategy for 2016-17

21. The expectation for interest rates within the Treasury Management Strategy for 2016/17 anticipated that the historically low Bank Rate would be subject to gradual rises in medium and longer term and as such fixed borrowing rates would increase slowly during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
22. During 2016/17 there was major volatility in PWLB rates with rates falling during quarters 1 and 2 to reach historically very low levels in July and August, before rising significantly during quarter 3, and then partially easing back towards the end of the year.
23. The strategy adopted in the original Treasury Management Strategy report for 2016/17 approved by the Council in February 2016 was subject to revision in the year to amend the Minimum Revenue Provision policy to allow for a debt repayments based on an annuity methodology and an increase in the authorised borrowing limits. This followed the Council's acquisition of Muriel Matters House and the Sedlescombe Road North Retail Park in addition to the existing capital programme.
24. The treasury strategy had been to postpone borrowing to avoid the cost of holding higher levels of investments and reduce counterparty risk except where contractual arrangements with Amicus Horizon were involved. However, with the increased level of Capital expenditure on commercial property and the need to secure the net income streams for future years, along with an under borrowed position that the Council held, new borrowing was undertaken in the year, in order to minimise costs in the long term..
25. The general aim of the treasury management strategy is to minimise the costs of borrowing in both the short and longer term. In the short term it can consider avoiding new borrowing and using cash balances to finance new borrowing. However to minimise longer term costs it needs to borrow when rates are a historically low levels. Given also that the Council's ambitions are to generate future income streams, which would involve future borrowing, the opportunities were taken to secure new borrowing in the year. The timing of new borrowing is therefore important to minimise the overall costs to the Council.
26. The 2016/17 strategy stated that the short term savings achieved through avoiding new long term external borrowing in 2016/17 would be weighed against the potential for incurring additional long term extra costs by delaying new external borrowing until later years when PWLB long term rates were forecast to

be significantly higher. The strategy stated that a balanced position would be sought in 2016/17.

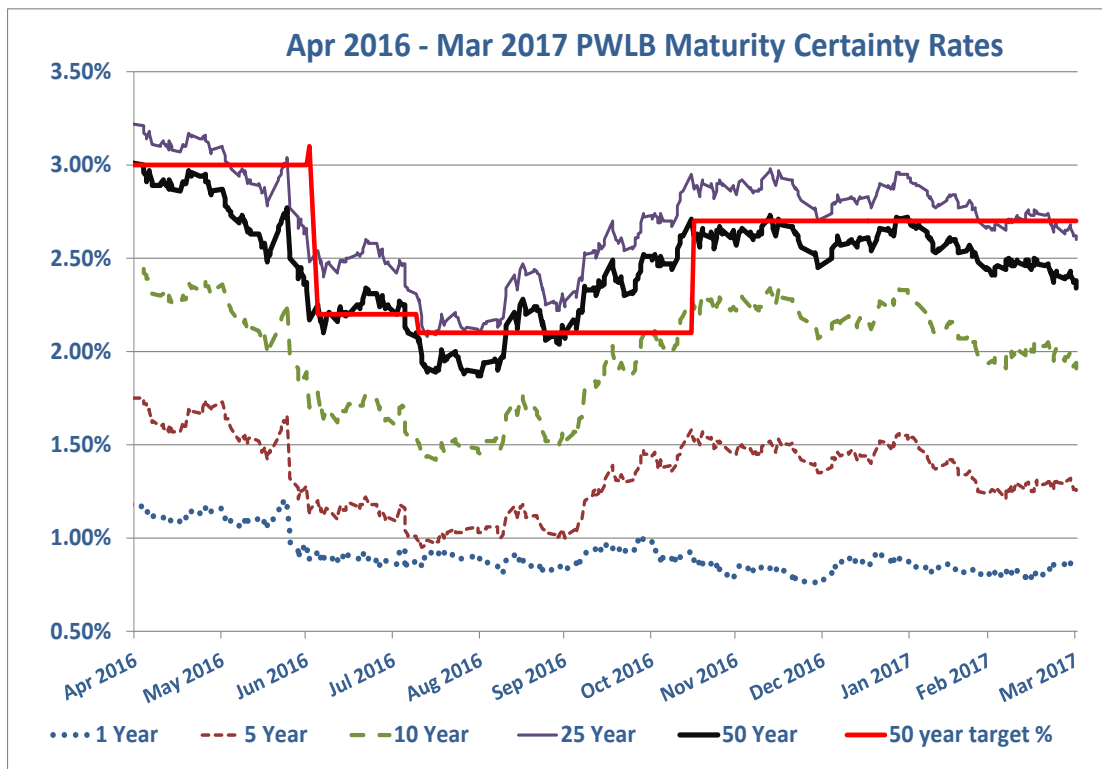
The Economy and Interest Rates

27. The two major landmark events that had a significant influence on financial markets in the 2016-17 financial year were the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2016 to quarter 4 2016. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.5% to 0.25% and the Bank of England's Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth. In addition, it restarted quantitative easing with purchases of £60bn of gilts and £10bn of corporate bonds, and also introduced the Term Funding Scheme whereby potentially £100bn of cheap financing was made available to banks.
28. In the second half of 2016, the UK economy confounded the Bank's pessimistic forecasts of August. After a disappointing quarter 1 of only +0.2% GDP growth, the three subsequent quarters of 2016 came in at +0.6%, +0.5% and +0.7% to produce an annual growth for 2016 overall, compared to 2015, of no less than 1.8%, which was very nearly the fastest rate of growth of any of the G7 countries. Needless to say, this meant that the MPC did not cut Bank Rate again after August but, since then, inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum.

Borrowing Rates in 2016-17

29. PWLB borrowing rates - the graphs and table for PWLB maturity rates below show, for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.
30. The graph highlights the historically low rates in the year, following the Brexit vote.

Table 9: PWLB rates



31. The table above highlights the fluctuation in borrowing rates throughout the year for different borrowing periods (in years).

Borrowing Outturn for 2016/17

32. Additional long term borrowing of £13.225m was undertaken in 2016/17 in respect of the Muriel Matters House, the BD Foods Factory and Sedlescombe Road North Retail Park.
33. The first loan in respect of the Local Authority Mortgage scheme was repaid (after 5 years) in December 2016 (£1million). This loan was taken out to fund the first tranche of the Local Authority Mortgage scheme and was matched with a deposit of £1m with Lloyds Bank at an interest rate of 4.45% (repaid to the Council in January 2017). The remaining £1million loan is due to be repaid in 2018.

Debt Rescheduling

34. The Council examined the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances. No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Compliance with Treasury Limits

35. During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1.

Investment Rates in 2016-17

36. After the EU referendum, Bank Rate was cut from 0.5% to 0.25% on 4 August and remained at that level for the rest of the year. Market expectations as to the timing of the start of monetary tightening started the year at quarter 3 2018, but then moved back to around the end of 2019 in early August before finishing the year back at quarter 3 2018. Deposit rates continued into the start of 2016/17 at previous depressed levels but then fell during the first two quarters and fell even further after the 4 August MPC meeting resulted in a large tranche of cheap financing being made available to the banking sector by the Bank of England. Rates made a weak recovery towards the end of 2016 but then fell to fresh lows in March 2017.
37. The funds invested during the year were often available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

Investment Strategy

38. The strategy was effectively amended at the Council meeting in February 2017, enabling investments to be made in the CCLA Property Fund (£2m invested in April 2017). Other than this the Investment strategy did not change during the year, other than Investment returns being lower and for a longer period than previously anticipated.

Investment Outturn for 2016-17

39. Investments held by the Council - the Council maintained an average balance in the year of £27.4m. The average rate of return for the year was 0.61% (0.81% including LAMS scheme deposits). The comparable performance indicator is the average 7-day LIBID rate (un-compounded), which was 0.2%.
40. The table below provides a snapshot of the investments/deposits held at 31 March 2017.

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal (£)	Term
NatWest	0.01			74,694	Call
NatWest	0.10			5,000,021	Call
Lloyds Bank	1.05	11/05/2016	11/05/2017	5,000,000	Fixed
National Australia	0.76	03/06/2016	05/06/2017	3,000,000	Fixed
Toronto	0.55	16/08/2016	16/05/2017	5,000,000	Fixed
Nordea	0.43	30/09/2016	30/06/2017	5,000,000	Fixed
Barclays	0.40			2,957,814	Call
Lloyds Gen	0.40			1,765,170	Call
			Total	27,797,699	

41. The above table excludes the remaining £1million deposit that is held with Lloyds Bank as part of the Local Authority Mortgage scheme (LAMS); the

deposit being held for a period of 5 years. The last one provides a rate of return of 1.97% and matures on 23 March 2018.

42. In addition to the investments the Council has a few loans in place, namely as at 31 March 2017:-

Counterparty	Rate/Return (%)	Start Date	End Date	Principal (£)	Term
Amicus	3.78	04/09/2014	02/09/2044	1,788,235	Fixed
The Source	2.43	17/12/2015	17/12/2025	20,471	Fixed
Foreshore Trust	1.66	21/03/2016	20/03/2026	243,900	Annuity

43. One loan of £127,000 to the Foreshore Trust was cancelled in March 2017 following the successful conclusion of the land swap at West Marina
44. No institutions in which investments were made during 2016/17 had any difficulty in repaying investments and interest in full during the year.

Financial Implications

45. The security of the Council's monies remains the top priority within the strategy. Investment rates available in the market have continued at historically low levels and have fallen further during the last year. There has been new borrowing of £13.225m on which the borrowing costs are more than offset by the rental income received.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Treasury Management and Annual Investment Strategy 2016/17

Appendix 1 – Prudential Indicators

Officer to Contact

Officer Name Peter Grace
 Officer Email Address pgrace@hastings.gov.uk
 Officer Telephone Number 01424 451503

Appendix 1: Prudential Indicators

The Council's Capital expenditure plans are the key driver of treasury management activity. The output of the Capital expenditure plans (detailed in the budget) is reflected in the prudential indicators below.

PRUDENTIAL INDICATOR	2015/16	2016/17*	2017/18	2018/19	2019/20
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt - borrowing	£20,000	£35,000	£65,000	£75,000	£85,000
other long term liabilities	£10,000	£5,000	£5,000	£5,000	£5,000
TOTAL	£30,000	£40,000	£70,000	£80,000	£90,000
Operational Boundary for external debt - borrowing	£20,000	£35,000	£65,000	£75,000	£85,000
other long term liabilities	£10,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000
TOTAL	£30,000	£40,000	£70,000	£80,000	£90,000
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments OR:-	100 %	100 %	100 %	100 %	100 %
Upper limit for variable rate					

exposure Net principal re variable rate borrowing / investments OR:-	100 %	100%	100%	100%	100%
Upper limit for total principal sums invested/deposited for over 364 days e.g.LAMS Scheme, Coastal Space	£5,620	£6,000	£9,000	£9,000	£9,000
2016/17* - revision to operational and authorised boundaries from £30m to £40m.					

Maturity structure of fixed rate borrowing during 2016/17	upper limit	lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Agenda Item 7

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

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