

Charity Committee Agenda

Monday, 25 September 2017 at 6.00 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, TN34 3UY.
Please enter the building via the Tourist Information Centre entrance.

For further information, please contact Emily Horne on 01424 451719 or email
ehorne@hastings.gov.uk

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Agenda Item 3 Public Document Pack

CHARITY COMMITTEE

26 JUNE 2017

Present: Councillors Beaney (Chair), Forward, May and Poole and Mr Chris May (The Protector)

87. MINUTES OF THE MEETING HELD ON 20 MARCH 2017

RESOLVED that the minutes of the Charity Committee meeting held on 20 March 2017 be approved and signed by the Chair as a correct record of the meeting

88. NOTIFICATION OF ANY ADDITIONAL URGENT ITEMS

The Assistant Director, Regeneration and Culture, notified the committee of an additional urgent item in respect of the installation of new beach huts on Foreshore Trust land, as set out in minute number 94.

89. THE LANDING

The Assistant Director, Regeneration and Culture, presented a report which recommended that the Foreshore Trust accepted ownership of a sculpture, The Landing, which was sited on the beach.

The Landing sculpture, by local artist Leigh Dyer, had been commissioned by Hastings Borough Council as part of the Root 1066 Festival, to mark the 950th Anniversary of the Battle of Hastings. In addition to the sculpture, the installation includes a time capsule, which will be opened in 2066. The sculpture has been very well received by the public and has already become a local landmark. The recommendations of the report had been supported at a recent meeting of the Coastal Users Group. However, the meeting had not been quorate and this view may not necessarily be shared by whole group.

The artist of a piece of art installed in the public realm usually retains ownership of the piece for a 12 month setting period, enabling them to carry out any maintenance works that may be required. No maintenance works have been necessary during the last 12 months and an independent structural engineer has confirmed the sculpture remains securely fixed in situ. The sculpture is sited on land owned by the Foreshore Trust and it is proposed that ownership is now transferred to the Trust permanently.

The Assistant Director, Financial Services and Revenues, recommended that the Trust insure the sculpture against damage, fire and theft, for at least a 1 year period as works to improve the sea defences will be taking place on the beach. This proposal was supported by members of the committee.

Councillor Forward proposed approval of the amended recommendations to the report, as set out in the resolution below, which was seconded by Councillor Poole.

CHARITY COMMITTEE

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RESOLVED (unanimously) that:

- 1. The Charity Committee agrees that the Foreshore Trust will accept ownership of the Landing sculpture from 14 September 2017, and;**
- 2. The Trust insures the sculpture against damage, fire and theft, for at least a one year period, while works to the sea defences on the beach are carried out**

The reason for this decision was:

The sculpture is located on Foreshore Trust land and was commissioned by Hastings Borough Council to mark the 950th anniversary of the Battle of Hastings. It is normal practice for the ownership of public art to pass to the commissioner or landowner.

90. SEAFRONT SPLASH PAD WATER PLAY AND KIOSK

The Assistant Director, Regeneration and Culture, presented a report which updated the committee on further investigations into the proposed seafront water play and kiosk project and on the outcome of the grant application to the fourth round of the Coastal Communities Fund (CCF4).

At its meeting in December 2016, the Charity Committee had given in-principle agreement to procure a seafront splash pad facility with associated seating and kiosk at Pelham Place. However, further site investigations have revealed the presence of a mains sewer directly beneath the site. As a result, the costs of the project were likely to exceed the budget allocated by the committee. It was therefore recommended to cease further work in relation to installing a water play feature at Pelham Place. Consideration has been given to potential alternative locations, but no other suitable sites have yet been identified.

Funding had been secured from CCF4 to support the further improvement of the promenade in the White Rock area and to promote the increased use and enjoyment of the seafront. Funding of £145,000, including a grant of £95,000 from CCF4, had been allocated for the refurbishment of a redundant fountain and adjacent public space. However, because the fountain had been disused for a considerable time, it was necessary to carry out a structural survey of the site, before design options were commissioned. The survey would cost an additional £35,000, making a total budget of £180,000. A potential water play facility would also be considered, and costed, as part of the site investigations and tendering process.

Attendees at the recent Coastal Users Group meeting, which was not quorate. The group had suggested that the Stade open space be considered as potential location for a splash pad, when any resurfacing is carried out in the future. They also recommended including a garden area within the scheme for the White Rock area.

Councillor Poole proposed approval of the recommendations to the Assistant Director, Regeneration and Culture's report, which was seconded by Councillor Forward.

RESOLVED (unanimously) to:

CHARITY COMMITTEE

26 JUNE 2017

1. Cease further work in relation to the development of a water play feature at Pelham Place,
2. To note the successful outcome of the CCF4 bid, and;
3. Approve a budget of £180,000 for the refurbishment of the redundant fountain and adjacent public space at White Rock. £95,000 of this budget is the CCF 4 grant award, and the balance is to come from the Foreshore Trust's reserves and existing budget, as set out in the report.
4. Delegate authority to the Director of Operational Services or his nominee in consultation with the Chair of the Charity Committee to undertake appropriate surveys, secure planning permission and subject to the outcome of the surveys, commission contractors to design and complete works, within the approved budget, that will re-animate, this area by the installation of a new water feature and associated physical improvements.

The reason for this decision was:

1. There are significant technical, and potentially costly, issues in relation to the installation of a splash pad and associated facilities on the site at Pelham Place.
2. The bid for funding a programme of projects under the 4th round of the national Coastal Communities Fund was successful, and there is an award of £95,000 within the programme to refurbish the redundant fountain and adjacent area near The Source skate park at White Rock. This is subject to additional investment by the Foreshore Trust (match funding), and completion of the project by December 2019.

91. FORESHORE TRUST BUSINESS PLAN 2017-2022

The Assistant Director, Regeneration and Culture, presented a report which included a draft five year business plan for the period 2017/18 and 2021/22. The report also provided an update on a number of key achievements throughout 2016/17, including bringing the White Rock Baths back into use as a skate park and upgrades to facilities in the Trust's car parks, The Stade and on the promenade and beach.

The draft business plan was based upon current knowledge of the maintenance, income, required capital works and proposals for new activities. The plan will be reviewed and updated on an annual basis. Key projects included reviewing the operational arrangements for the The Stade open space and the Stade Hall, improvements to the promenade at White Rock and maintaining and improving leisure facilities, including implementing the recommendations of the access audit for Hastings seafront. The draft business plan included a spending plan; an additional sum of £710,000 was required to meet the expenditure plans in the period 2017/18 to 2021/22.

The committee welcomed the draft business plan. Members were keen that implementing the recommendations of the recent access audit of Hastings seafront should be considered as a priority.

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Councillor Forward proposed approval of the Assistant Director, Regeneration and Culture's report, which was seconded by Councillor Poole.

RESOLVED (unanimously) that:

- 1. The Business Plan, as appended to the Assistant Director, Regeneration and Culture's report be approved, and;**
- 2. The committee delegate authority for any minor modifications to the Assistant Director, Regeneration and Culture, in consultation with the Chair of the Charity Committee**

The reason for this decision was:

The Charity Committee requires a business plan to support its decision-making on the use of Trust assets and surpluses.

92. FINANCE REPORT

The Assistant Director, Financial Services and Revenues, presented a report to advise the committee on the draft financial position for 2016/17. The report updated the committee on the current year's financial position and provided an opportunity to review the Trust's business plan, risk register and reserves policy.

Members were advised that the draft accounts for 2016/17 indicated an operating surplus of £394,000. This estimate exceeded the projected surplus in the original budget, due mainly to a capital receipt in respect of the disposal of a parcel of land and an increase in parking income.

Income and expenditure projections for 2017/18 were currently in line with the budget. However, the estimated surplus for this year was expected to be higher than planned, due to a decrease in the anticipated loan repayments.

Consideration was given as to how the Trust could continue to forecast significant areas of expenditure, beyond the span of the current 5 year business plan.

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

RESOLVED (unanimously):

- 1. To agree the current financial positions for 2016/17 and 2017/18**
- 2. To agree the Risk Register (appendix 4 to the report)**
- 3. To agree the Reserves Policy (appendix 5 to the report)**

The reason for this decision was:

The council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with the Accounting Codes of Practice and the high standards required for the accounting of public money.

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The reserves policy is reviewed on an annual basis and is undertaken against the uncertainties that are identified within the risk register and the general economic environment.

93. MINUTES OF THE COASTAL USERS GROUP HELD ON 13 JUNE 2017

The minutes of the Coastal Users Group meeting held on 13 June 2017 were submitted. It was noted that this meeting was not quorate.

RESOLVED that the minutes of the Coastal Users Group meeting held on 13 June 2017 be noted

94. ADDITIONAL URGENT ITEMS - BEACH HUTS

The Assistant Director, Regeneration and Culture, advised the committee of a decision that was taken under rule 13 of the urgency provisions for the Foreshore Trust.

At its meeting in December 2016, the Charity Committee had given agreement for the installation of 12 new beach huts on Foreshore Trust land. The cost of the project had been estimated at £14,000. Following a procurement exercise, the actual cost was £22,374 plus VAT. However, the project was still considered to provide a worthwhile investment for the Trust.

The decision had been taken under urgency provisions to avoid any unnecessary delay to project and prevent potential loss of income during the summer period.

(The Chair declared the meeting closed at. 6.43 pm)

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Agenda Item 5



Report to: Charity Committee

Date of Meeting: 25th September 2017

Report Title: Foreshore Trust Small Grants Programme 2017-18

Report By: Monica Adams-Acton
Assistant Director Regeneration and Culture

Purpose of Report

1. To present the recommendations of the Grant Advisory Panel (GAP) in respect of applications for Small Grants 2017-18.
2. To consider changes to the grants budgets and eligibility criteria for the Small Grants Scheme and the Events Grants Scheme.

Recommendation(s)

That the Charity Committee:

1. Consider for approval the Small Grants recommendations of the GAP as set out in Appendix 1
2. Consider the benefits of changing the grant levels and eligible area.

Reasons for Recommendations

The Grant Advisory Panel has appraised the merits of the applications received for Small Grant support and has made a number of recommendations for grant awards that can be funded from the available 2017-18 budget.

Some potential changes to the annual budgets for each scheme and maximum and minimum awards for both schemes, and the eligible area for the Events Grants Scheme have been commented on by some members of the Grants Advisory Panel.

Background

1. The Foreshore Trust Small Grants Programme is a small grants scheme to address the Foreshore Trust's stated charitable priorities and obligations.
2. £50,000 is available for the 2017-18 financial year for small grants of up to £5,000 each.
3. The Charity Committee previously resolved within the 2017-18 Financial Year to review the levels of grant budgets and the eligible area for the Events Grants Scheme.
4. The first part of this report deals with the deliberations of the Grants Advisory Panel (Panel) in respect of the Small Grants Scheme. The second part of this report considers a number of changes that the Charity Committee might want to make to the Grants Schemes.

Small Grants Awards 2017-18

5. The process used to invite and evaluate grant applications was in accordance with the protocols agreed by the Charity Committee in December 2014.
6. The Panel met in July 2017 to discuss the respective merits of each application. Its recommendations are set out in the report from the Panel Chair (Appendix 1).
7. All of the applications for funding were assessed in terms of the organisations' ability to deliver their proposals, how closely the proposed activities match the priorities of the Charity Committee, value for money and a fair distribution of funds amongst all the priorities and members of the community.
8. In total, fourteen projects are recommended for approval with some of these subject to conditions. All of the approved projects are to be delivered between October 2017 and September 2018. The amount recommended totals £49,538.

Potential changes to the Grants Schemes

9. The Panel did not meet to jointly consider potential changes to the grants schemes, but did agree to comment by email on potential changes put forward by Council officers.
10. Just four of the eight Panel members responded to the officers' proposals.
11. The proposals and comments by the four Panel members are set out below.
12. Grant Budgets
 - It was proposed that the annual budget for the Small Grants Scheme be increased from £50,000 to £60,000, and the annual budget for the Events Grants Scheme be increased from £20,000 to £30,000.

- All four Panel members who responded agreed with these proposals.
- It should be noted however that the grants budgets, which are funded from surplus reserves, are set annually by the Charity Committee after considering the likely level of reserves.

13. Minimum and maximum grant levels

- There is currently no minimum grant level established for either Scheme. The maximum grant award per application in any one year under the Small Grants Scheme is £5,000, and £2,000 under the Events Grants Scheme.
- One Panel member (the Chair), recommended that a minimum grant level of £600 be established for both Schemes.
- Both Schemes are generally significantly oversubscribed, and the time taken to administer applications can be considerable. Each application goes through a rigorous assessment process, regardless of the size of the grant requested and awarded.
- Any changes in maximum and minimum levels of grant should take into account their potential impact on the resources available to administer the Schemes.

14. Eligible areas

- Currently, there are no geographic restrictions in connection with the Small Grants Schemes, although applications for activities beyond the borough boundaries are generally not recommended for approval.
- Grants under the Events Grants Scheme are restricted to activities taking place on Foreshore Trust land. Some events that have been funded in the past include activities both on and off Foreshore Trust land, but any grant awarded has always been restricted to those activities that take place on Foreshore Trust land.
- Appendix 2 to this report sets out a potential expansion of the eligible area for the Events Grants Scheme. Some Panel members expressed a concern that charitable support might benefit commercial venues. Another member expressed a concern about Warrior Square being included in the eligible area.

Policy Implications

15. The Foreshore Trust's Grants Schemes support activities that impact positively on the social and economic wellbeing of residents in the Borough, as well as assisting organisations in delivering a range of activities for local people that might otherwise be unavailable. The priorities of the Events Grants Scheme are to provide assistance to projects that increase the number of people participating in healthy and enjoyable activities along the seafront and that celebrate and enhance cultural diversity.

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	Yes
Crime and Fear of Crime (Section 17)	
Risk Management	
Environmental Issues	
Economic/Financial Implications	Yes
Human Rights Act	
Organisational Consequences	
Local People's Views	
Anti-Poverty	

Additional Information

Appendix 1 – Report by the Chair of the Grants Advisory Panel with the Panel's recommendations.

Appendix 2 – Draft Foreshore Trust Eligible Land Events Grants Map

Officer to Contact

Ian Sycamore
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01424 451339

Report to: Charity Committee

Date of Meeting: 25th September 2017

Report Title: Grant Advisory Panel's recommendations

Report By: Andrew Colquhoun
Chair, Foreshore Trust Grants Advisory Panel

Purpose of Report

To make recommendations as to which organisations should be funded under the Foreshore Trust Small Grants Programme 2017-18 and the allocations that will be made to each.

Recommendation(s)

- 1. To consider the Grant Advisory Panel's (GAP) recommendation to award small grants to the organisations shown in Appendix A.**

Reasons for Recommendations

To recommend organisations for grant funding which have been selected following an open application process and awarded to those considered by the GAP to best meet the Foreshore Trust's aims and objectives.

Introduction

Background

1. The Foreshore Trust Small Grants Programme is a small grants scheme to address the Foreshore Trust's stated charitable priorities and obligations. Around £50,000 is available for the 2017-18 financial year for small grants of up to £5,000 each.

2. Hastings Borough Council, as administrator for the Foreshore Small Grants Programme, advertised the programme in April 2017 in Hastings Voluntary Action newsletter, the Hastings Observer and in East Sussex County Council's external funding newsletter. An e-mail was also circulated to all previous Foreshore Trust grant applicants. The deadline for receipt of applications was 15th June 2017.

Assessment of applications

3. A total of 69 enquiries were received for the small grants and by the closing date, 40 applications were actually submitted. The total amount requested was £163,204.

4. The GAP met on 18th and 25th July 2017 to review and assess all the applications submitted. Each of the eight members appraised and assessed a selected number of applications with the Chair of the panel having considered all applications. All applications were jointly reviewed and discussed in detail prior to a decision being made by the panel.

5. All GAP members had previously declared conflicts of interest which precluded them from appraising applications from particular organisations.

6. In assessing the applications, the GAP attempted to ensure the activities and organisations supported were as broad as possible and reflected all the priorities set out by the charity committee.

7. Following a full assessment process, GAP members agreed to the recommendations shown in Appendix A.

8. Of the 40 applications considered, GAP recommends to the Charity Committee that 14 of these be approved for funding at various levels, subject to particular conditions where required.

9. All the approved projects are to be delivered starting from October 2016 to September 2017. The amount recommended totals £49,538.

10. At its meetings the Grant Advisory Panel also were advised about the proposal to include additional areas that the events can take place under the Events grant programme and consider changes to the annual budgets for each scheme and maximum and minimum awards .

11. The GAP were consulted by email and asked to consider this issue further, and suggest revisions to be presented to the Pre - Charity Committee Meeting on 4th September 2017.

Policy Implications

12. The Foreshore Trust's Small Grants Programme is a funding regime that will impact positively on the economic and financial environment in the Borough, and will assist organisations in delivering a range of activities for local people.

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

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

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	No
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

Background Information

Appendix A – Foreshore Trust Small Grants Recommended Applications

Officer to Contact

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01424 451339

Appendix A – Foreshore Trust Small Grants

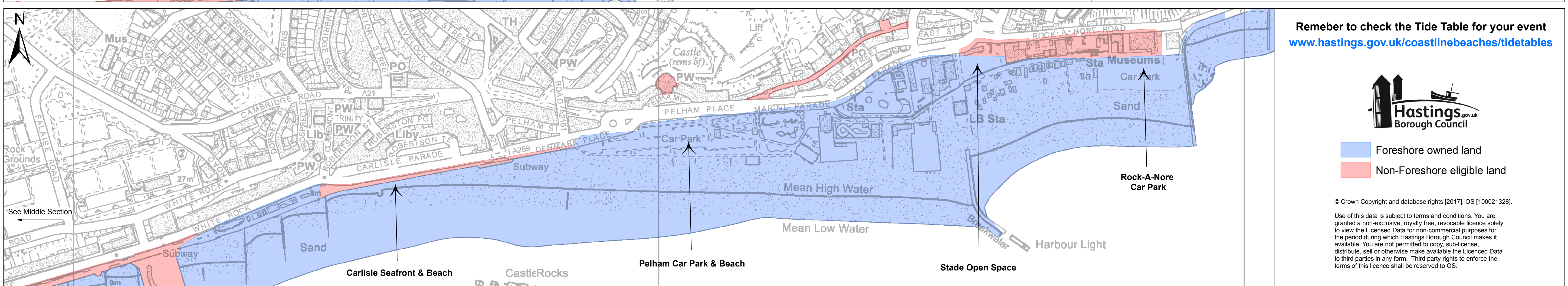
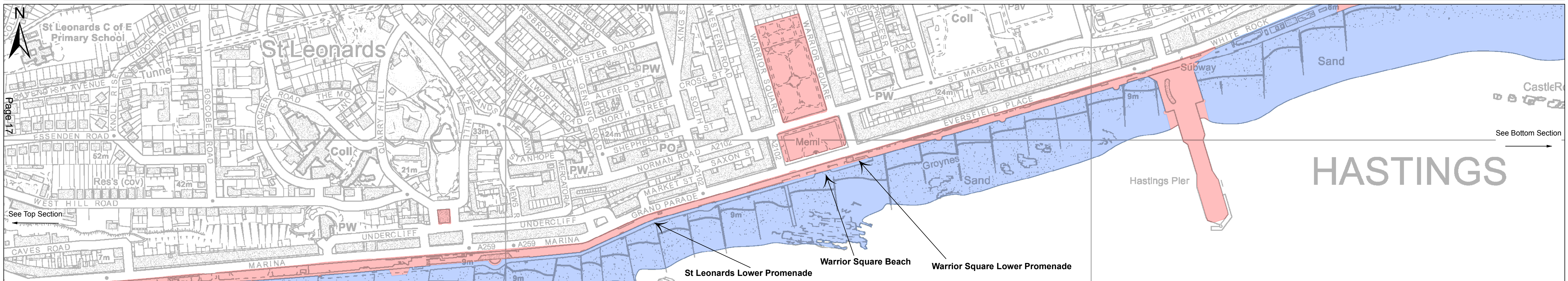
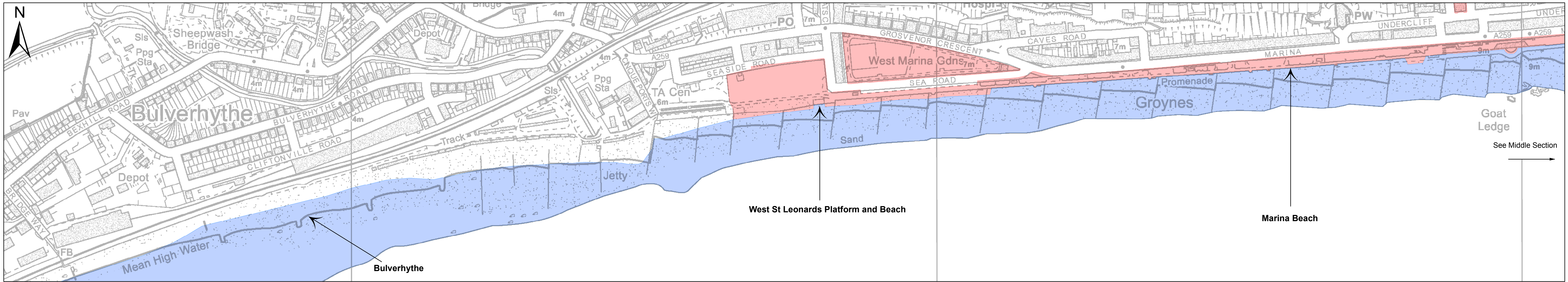
Foreshore Small Grants Programme Round 2017-18 – Recommended applications

Applicant	Project Name	Funding recommended
Barbarian Swimmers	Teaching course Proposal aims to provide training for 6 new teachers to Swimming Teachers Association standard. It also includes Life Saving courses and Safeguarding Children, Young People & Vulnerable Adults online courses.	£1,510
Counselling Plus Community	Hardship Fund The aim of the project is to provide a Hardship Fund for residents of Hastings and St Leonards. Poverty is a primary cause of poor mental health and effective counselling is usually expensive. This fund ensures everyone – however difficult their financial circumstances – can access professional counselling, enabling them to make real changes to their lives.	£5,000
Culture Shift CIC	Craftivist Automata Project on the Pier Culture Shift, in partnership with the Craftivist network, is planning a creative project in collaboration with Cabaret Mechanical Theatre (collection of 20th and 21st century automata or kinetic sculptures) and Hastings Pier. Between December and March 2018, Craftivist groups will make automata based on the history of the pier, to be exhibited on the pier (time tbc April or July) alongside automata from the Cabaret Mechanical Theatre collection and supported by a big final event.	£5,000
Education Futures Trust	The Shore Academy 'I Love Hastings' project The Shore Academy promotes a love of and respect for our unique marine environment, facilitating exploration of, and engagement with, multiple coastal sites in the area. Children form the primary focus of this work, becoming ambassadors for Hastings by encouraging their families to value and care for where we live.	£5,000
Family Support Work	Supporting vulnerable families in Hastings & St Leonards Group activities will be provided for 60+ vulnerable families in order to provide informal and peer support, information and signposting, and social opportunities to reduce isolation and increase community participation – includes support groups, drop ins, days out, and an after school club.	£1,002
Hastings & Rother Disability Forum	Two Way Communication The aim of the proposal is to obtain expert help in designing a more user friendly website designed to offer those with differing disability needs the opportunity to independently access information plus a request to purchase an updated laptop.	£1,180
Hastings Furniture Service	Access all areas: Improved access to HFS services and volunteering opportunities for people with disabilities and limited mobility Currently people with mobility issues (whether through poor health or disability) and families with young children are unable to get to our first floor furniture display area because the lift is no longer serviceable. Major repairs are needed to improve access to our services for customers, volunteers and staff. People need to reach all the areas of the building to choose affordable furniture for their homes.	£5,000

HVA/‘Love Hastings, Love Yourself’	‘Love Hastings, Love Yourself’ (LHLY) LHLY is a local campaign to raise positive awareness of mental health and to increase community cohesion. LHLY will provide a regular ‘happiness café’, events and opportunities for business and the community to meet and network, with the aim of sharing resources, skills & experience to increase community resilience.	£2,990
Hollington Community Centre	Hollington Community History Project Hollington Community Centre recently organised a successful community event focussing on the local photographic history of Greater Hollington. Feedback from the event suggested a further project would be well supported. The project will be to create a local, online photographic archive, whilst promoting and delivering activity that reduces social isolation.	£2,370
The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity Hastings	Safehaven Women A non-religious, life-changing, safe place each Thursday for vulnerable women to relax in, have homemade hot food & drinks and enjoy some pampering where women can talk openly and confidentially with volunteers, receive free clothing and meet with external organisations that assist with housing, recovery, domestic abuse. Safehaven also offers craft sessions to build relationships and develop skills. The project distributes food, sanitary products to women in the street community who do not attend the sessions in the church building.	£4,900
In2play CIC	Birds Bats Beetles Binbags The aim of the project is to plan and carry out repairs which improve safety for children and families within the woodland at Hastings Adventure Playground in the Ore Valley. This will maintain access across the site for all age groups and abilities. The volunteer opportunity and associated TCV training will be offered to local people and they will work alongside existing TCV leaders and volunteers. The Trust for Conservation Volunteers co-ordinator will provide training activity sessions where animal habitat boxes are constructed and installed on site by Young Volunteers.	£6,540
Sussex Community Development Association	Hastings Old Town Before and After The Isabel Blackman Centre (IBC) supports vulnerable adults over the age of 50. This is a historical reminiscence project. The aim is to create a book of photographs which were taken during 1965 – 1966 by one of our clients that attends IBC. The plan is to return to the exact site, with our support where the original photographs were taken and retake the photographs now in 2017 producing a unique historic record of the Old Town Hastings.	£1,884
Sussex Prisoners’ Families	Sussex Prisoners’ Families Hastings and St. Leonards Outreach Service The Sussex Prisoners’ Families outreach service will deliver emotional and practical support to prisoners’ families in Hastings & St. Leonards, at Hastings Magistrates Court, Lewes Crown Court, community Drop-In surgeries, and 1-2-1 meetings with family members.	£4,800
The Time to Shine Project	The Time to Shine Project in the Community We would like to work with Seaview service users to continue the development of their music journey and the diversity & strength as a choir. This will involve recruiting new participants and setting the challenge and responsibility for previous participants to mentor the beginners. This project will culminate in a live performance with a professional band.	£4,472
Total		£49,538

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FORESHORE TRUST EVENTS GRANTS - ELIGIBLE EVENT LOCATIONS



Remember to check the Tide Table for your event
www.hastings.gov.uk/coastlinebeaches/tidetables



- Foreshore owned land
- Non-Foreshore eligible land

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Agenda Item 6



Report to: Charity Committee

Date of Meeting: 25 September 2017

Report Title: Foreshore Trust - Annual Report and Financial Accounts 2016-17

Report By: Peter Grace
Assistant Director - Financial Services & Revenues

Purpose of Report

The purpose of this is for members of the Committee to consider the 2016/17 Annual Report and Financial Accounts.

Recommendation(s)

1. The Annual Report and Financial Accounts for 2016/17 are approved.

Reasons for Recommendations

The Council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with Accounting Codes of Practice and the high standards required for the accounting of Public money.

The Council as Trustee, through the Charity Committee is approved to approve the annual report and accounts by the 30th September each year.

Introduction

1. The Annual Report and Accounts are attached to this report. The Council has received an unqualified opinion on the accounts from the external auditor, Manningtons.
2. The Committee is recommended to approve the Annual Report and Accounts.

Final position 2016/17

3. A surplus of £393,000 was achieved as detailed in the Statement of Financial Activities section of the Trustee's report which was above expectations, principally due to the gain on disposal of land.
4. In terms of net current assets (effectively the cash position) the balance is £1,304,676 as at March 2017, whilst total funds (which includes all assets) amount to £2,506,516.
5. The balance sheet note 15 identifies the cash reserve as the Contingency Reserve £900,000 and the Main Programme Reserve of £160,763 totalling £1,060,763. This is different from the effective cash position as it takes into account the outstanding long term loan from Hastings Borough Council of £243,901.
6. The business plan identifies commitments amounting to £495,000 which will be funded from reserves and the ongoing budgeted surpluses.

Reserves

7. A reserve policy was agreed at the Committee's 26 June 2017 meeting. It will remain appropriate to consider the reserve policy on a regular basis.

Wards Affected

None

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

Appendix 1 - Annual Report and Financial Statements

Officer to Contact

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Charity registration number: 1105649

Hastings and St Leonards Foreshore Charitable Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2017

Hastings and St Leonards Foreshore Charitable Trust

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Hastings and St Leonards Foreshore Charitable Trust

Reference and Administrative Details

Trustees	Hastings Borough Council
Other Officers	Councillor Kim Forward, Committee Members (resigned 10 July 2017) Councillor Andrew Cartwright, Committee Members (resigned 17 May 2017) Councillor Colin Fitzgerald, Committee Chair (resigned 17 May 2017) Councillor Dawn Poole, Committee Members (appointed 10 July 2017) Councillor Andy Batsford, Committee Members (appointed 10 July 2017) Councillor Sue Beaney, Committee Chair (appointed 17 May 2017)
Charity Registration Number	1105649
Bankers	Lloyds Bank 17 Wellington Place Hastings TN31 1NX
Auditor	Manningtons Statutory Auditor 7 Wellington Square Hastings East Sussex TN34 1PD
Protector	Christopher May MA, FCA Froghole Oast House Crockham Hill Edenbridge Kent TN8 6TD

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

Structure Governance and Management

Overview

The governing documents of the Charity are a conveyance from the Crown to Hastings Corporation dated 8 September 1893 and Charity Commission Scheme ref. no, 981/1011 made on 13 January 2011 (the 2011 Scheme).

The 1893 Conveyance provides that the length of foreshore between Ecclesbourne Glen and Grosvenor Gardens shall be held for the common use, benefit and enjoyment of Her Majesty's subjects and the public generally for ever. Later conveyances in 1925, 1933 and 1934 conveyed the remainder of the foreshore to the Hastings Corporation on the same Trusts.

The Hastings Borough Council Act 1988 varies the Trust to permit certain uses on delineated areas of land and for the Council to charge for that use, whether provided by the Council itself or by another on the Council's behalf.

The 2011 Scheme extended the objects of the Charity to include such charitable purposes within the Borough of Hastings as the Trustee thinks fit.

The 2011 Scheme had the effect of revoking the Charity Commission Scheme dated 22 March 2006 which appointed independent Trustees and Council nominated Trustees and appointed Hastings Borough Council as the Trustee for all purposes. This report is prepared by the Trustee as required under the 2011 Scheme.

Significant changes

During the year there were no changes but subsequently Councillor Colin Fitzgerald stepped down as from the 17th May 2017 to be replaced as Chair by Councillor Sue Beaney, Councillor Cartwright and Councillor Forward stepped down and Councillor Dawn Poole and Councillor Andy Batsford were appointed as of 10th July 2017.

Governance

i) The Trustee, Hastings Borough Council, is a principal local authority established under the Local Government Act 1972 and, as such, has corporate status. As a local authority, the Trustee acts through decisions of elected members and delegations to committees, sub-committees and officers. The Local Government Act 2000 introduced executive decision making and the legislation provided for a split between decisions which are reserved to the Council, to the Executive or according to local choice. Where the function in question is not reserved to Council or a local choice function, the default provision in the legislation is that the function and decision-making relating to it are the preserve of the executive. This represents the position regarding the Council's function or power to administer charities, that is to say that the administration of charities is an executive function and so only the Cabinet, a committee of Cabinet or officers acting under delegations from Cabinet are legally competent to make decisions relating to the Charity. This means that for the Foreshore Trust, the Council as Trustee acts through the Charity Committee of Cabinet.

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ii) The Protector when considering the request of the former independent Trustees to appoint the Council as Trustee, the Charity Commission was concerned regarding the potential conflict of interest between the Council's position as charitable Trustee and as local authority and how to address this. Part of the solution was the requirement in the 2011 Scheme for the appointment of a Protector, who is required to be a qualified accountant. The present Protector is Christopher May, MA, FCA, who was appointed as first Protector and has been subsequently re-appointed for two further three year terms of office. The role of the Protector is essentially to act as whistle blower and watchdog against the Council acting in breach of trust and to guard against situations where a conflict of interest is not being managed properly. As a chartered accountant he is equipped to scrutinise the Council's charity accounts. The Protector is required to report any matters of serious concern to the Charity Commission and must prepare an annual report on his activities for inclusion in the Charity's Annual Report.

Consultation

The 2011 Scheme makes provision for consultation in two areas of the Charity's operation. Namely:-

i) Coastal Users' Group The Trustee is required to consult with and have regard to the recommendations of the Coastal Users' Group (CUG) in relation to certain matters, namely:-

- the standards or specifications for the maintenance of the charity's land.
- the Charity's policy relating to events and activities to be held on the Charity's land and any event/activity outside that policy.
- the Charity's policy relating to the exercise of any power under the Hastings Borough Council Act 1988 or otherwise to manage, let sell or otherwise dispose of the Charity's property, and
- the exercise of the powers under the previous bullet otherwise than in accordance with the agreed policy.

The CUG was an existing consultative group set up by the Council as local authority to consult with interested parties in relation to matters affecting the front line of the Council's area. It became the Coastal Advisory Group as required by the 2011 Scheme after adopting a formal constitution and rules for membership in early 2011. The minutes of its meetings, in so far as they relate to Foreshore Trust matters, are included in the reports submitted to each Charity Committee meeting. The CUG meets before each Charity Committee meeting (four times a year) to consider and comment on reports being submitted to the Charity Committee. The CUG is consulted each time the Foreshore Trust Business Plan is revised. During 2016/17, they were also consulted on the Root 1066 Festival programme, a disability access audit, FLAG round 2, Coastal Communities Fund round 4 new chalets on Foreshore Trust land, beach stabilisation project involving groynes and the harbour arm, a Postcode Lottery Dream Fund project (unsuccessful), and various leases.

ii) Grant Advisory Panel

The object to distribute surpluses, after meeting the costs of administering the Charity and managing its assets, including the repair and insurance of its land and buildings, through grants for charitable purposes in the Borough, are subject to consultation with the Grant Advisory Panel. The 2011 Scheme provides that consultation is to take place concerning the grant criteria, grant processes and grant determinations. The Grants Advisory Panel successfully concluded the process of prioritising the year's round of grant making, resulting in the award of grants totalling £50,000 and grants for events totalling £19,786 (2015/16 £53,315 and events £16,685).and the following grants were awarded:

Organisation	Project	Grant Awarded
18 Hours Ltd	Free dance festival	£2,000
Creating Community	Hastings and 1066 Country Cartoon Festival	£1,986

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Disability Inclusion	Accessible cookery, poetry and storytelling workshop	£2,000
Hastings Fat Tuesday	Umbrella Parade and Preservation Sunday 2017	£1,000
Hastings Storytelling Festival	Children's Parade 2016	£2,000
Horizons Community Learning CIC	Horizons 'Up and Running' walking and running groups	£2,000
Hastings Voluntary Action	1066 cycling Festival	£2,000
Idolrich Theatre Rotto	Danny Fishbone's Dainty Dinners	£2,000
In2Play CIC	Beach Explorers	£1,800
Seaview	The Big Sleep	£2,000
Vocal Explosion Community Choir	Performance and workshop	£1,000
Total Event Grants		£19,786
Age UK	Healthy Living Club in St Leonards	£3,293
Bagladeshi Association Hastings and Rother	International Mother Language Day and Bengali New Year Celebrations	£2,250
Counselling Plus Community	Hardship Fund	£2,500
Fellowship of St Nicholas	Robsack Offering Brilliant Opportunities to Train (ROBOTT)	£3,000
Hastings and St Leonards Christians Against Poverty	Debt Advice Centre	£5,000
Hastings Arts Forum	The Big Draw 2016 'Steam Powered'	£1,115
Hastings Street Pastors	Town centre night time care and support service	£2,500
Hastings Bonfire Society	Hastings Celebrates 950th	£2,500
Hastings Furniture Service	Support for volunteers with complex needs	£5,000
Hastings and St Leonards Voluntary Lifeguard Club	Open water activity and water safety	£905
Seaview	Women Only Shower Project	£4,900
Sussex Prisoners' Families	Inside Outside support group	£4,600
The Conservation Volunteers	The School SHED Project	£4,937
The Sara Lee Trust	Specialist counselling and complementary therapy service	£5,000
Trash Cannes	HOWL! Spoken word project	£2,500
Total Small Grants		£50,000

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Delegation to Officers

At its first meeting on 25 January 2011, the Charity Committee agreed a Scheme of Delegation to Officers. From the 1 April 2012 the Scheme of Delegations has required amending, replacing the Chief Executive with an appropriate Director and his/her nominee as a result of a senior management restructure. The new Scheme of Delegations follows the pattern of the Council's Scheme of Delegations to Officers, in that the appropriate Director or their duly authorised nominee is authorised within the plan and budget agreed by the Charity Committee to undertake the day to day operation and management of the Charity. The authority is general and subject to certain exceptions including the disposal of land, use of the Charity's land for events outside of the agreed policy, grants for charitable purposes and specification for and the award of contracts affecting the Charity, which are all subject to consultation and then the decision of the Charity Committee. The Scheme of Delegation emphasises that the Directors or their nominees acting under the delegations must be mindful that they are acting on behalf of the Charity and not the Council and ensure that at all times they act in the best interests of the Charity.

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The officers authorised for most purposes affecting the Charity's day to day operation and management are:-

- Monica Adams-Acton, Assistant Director Regeneration and Culture
- Peter Grace, Assistant Director Financial Services and Revenues (Chief Finance Officer)
- Amy Terry, Estates Manager
- Christine Barkshire-Jones is the Monitoring Officer and the Chief Legal Officer, and is also the Authorised Signatory on behalf of the Charity

In case of actual or potential conflict of interest for officers, independent advisors are instructed on behalf of the Charity e.g. surveyors.

Training and Induction for the Trustee

Training is provided for members and officers covering training on the history of the Trust, the constitutional documentation of the Trust and how to put those into effect.

Training has been offered to all members of the Council to raise awareness and to keep them advised.

Risk Management

The charity maintains a risk register and formally reviews this on an annual basis when determining the reserves policy. Initially this identified the key financial risks facing the Trust, but continues to be developed to include the identification of all significant risks (it also includes the identification of relevant controls to mitigate and responsibilities).

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Objectives

The 2011 Scheme states the objects of the Charity to be:-

(i) to hold and maintain the charity's land for the objects set out in the trusts of the Charity, namely for the common use, benefit and enjoyment of all Her Majesty's subjects and of the public for the time being for ever; and

(ii) subject to (i) above, such charitable purposes within the area of the Borough of Hastings as the Trustee thinks fit.

The Scheme expressly provides that income and capital are first to be applied in meeting the proper costs of administering the Charity and of managing its assets including the repair and insurance of its land and buildings. After payment of these costs, the Trustee must apply the remaining income in furthering the objects of the Charity.

Achievements and Performance

This has been the sixth full financial year for the Council as Trustee of the Foreshore Trust. The Charity Committee met four times during the year and the main business has been:

- The fifth annual review of the Trust's rolling five-year Business Plan;
 - The sixth round of small grant awards (up to £5,000) to local charitable organisations;
 - The fourth round of grants (up to £2,000) for events on Foreshore Trust land;
 - Agreement of the budget for 2017/18 and financial report.
- (1) Resurfacing of the Winch Road and lighting improvements reduced the risk of flooding and increased safety and security in this area that is in constant pedestrian use by the public and an important access route for the fishing community.
 - (2) The Stade Open Space was again a highly accessible and attractive venue for public events, including the three annual fish fairs and the Stade Saturdays' eclectic cultural program. The Stade Open Space also hosted a classic car show, a commercial vehicle show, and a community celebration marking the 950th anniversary of the Battle of Hastings, as well as a number of events associated with the ROOT1066 International Contemporary Arts Festival, including a mass forging!
 - (3) The Stade Hall continued to be a popular venue for community activities, hosting all sorts of events including charity, exhibitions and ROOT1066. Classroom on the Coast project officers worked with Billingsgate Seafood Training to introduce demonstrations and paid-for fish cookery classes which, alongside other private booking, stimulated some interest in the facility as a cookery training venue.
 - (4) A major new piece of artwork was sited, with the permission of the Charity Committee on Foreshore Trust land at Denmark Place. This artwork was produced as part of the ROOT 1066 festival.
 - (5) Further improvements, supported by a Coastal Communities grant, were made to the promenade around the White Rock Baths. These included the creation of a kiosk which has been let to The Source.
 - (6) The beach at the Marina achieved Blue Flag status and Pelham achieved Seaside award status.
 - (7) An access audit of the seafront was commissioned and carried out by Disability Inclusion CC. The outcome of this audit will inform future Foreshore Trust business plans.
 - (8) Initial investigations into the potential development of a children's water play feature "Seafront Splash Pad" was undertaken, but found to be unfeasible.
 - (9) A second round bid for European Maritime Fisheries Fund through the FLAG programme was submitted and was successful. Projects to be funded from this grant award will be developed in 2017-18 and several are likely to involve activities taking place on Foreshore Trust land.

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In addition, whilst the Council undertook the role as Trustee from January 2011, it has been operating and managing the Foreshore and its assets without interruption over many years. The operations include:

- keeping the Charity's land safe and clean;
- operating the Charity's car parks;
- managing its tenanted premises;
- arranging and facilitating events on the Foreshore;
- undertaking routine maintenance and repair.

Stade Development

The Stade area is partly in Council ownership and partly in Trust ownership. The development is the combination of the Jerwood Gallery and the Stade Open Space community facilities, the Stade Hall and public toilets with exceptional disabled accommodation and Stade café. The Jerwood Gallery, on Council owned land, is privately funded but the other facilities result from the Council's application for funding from the Commission for Architecture and the Built Environment (CABE), South East England Development Agency (SEEDA), East Sussex County Council, with significant funding also being provided by Hastings Borough Council. Management of the Stade Open Space (approximately 69% in Trust ownership) and the Stade Hall (wholly Trust owned) is being undertaken by the Council on behalf of the Foreshore Trust.

Leases and agreements

The following leases were completed during the period:

- Stade Amusement area (including the boating lake). The lease contains an obligation on the tenant to carry out specified improvement works by 1 February 2019. The lease has since been assigned to Luxury Leisure.
- New kiosk built at White Rock to the Source (Hastings) Ltd.
- Substation at Hastings & St Leonards Angling Association.

The tenant of the Adventure Golf, Arnold Palmer Putting Courses Ltd, has completed improvements comprising 3 new catering kiosks, additional seating, umbrella canopies and new signage on their leased area. They have also undertaken works, at their expense, to the adjoining public realm areas including new benches, planters, shelters and paving.

Public Benefit

The objects of the Charity clearly state that the Foreshore is to be held for the benefit of Her Majesty's subjects and the public generally forever. Where the land is beach and beach alone, the objects are achieved by ensuring that the public have free and safe access to the Foreshore. However, maintaining land in proper condition has a cost and the Charity requires an income to meet its expenditure. The Hastings Borough Council Act 1988 varied the original Trusts' to permit certain uses on defined areas of the Trust's land. For example, paid parking was permissible at Rock-a-Nore Car Park and at Pelham Car Park and leisure facilities were permitted in the Stade area. These variations to the Trust powers enabled the generation of income to meet the costs of maintaining the Foreshore. The uses permitted under the Act, however, are seen as complementary to the Trust objects and the Trustee will exercise its powers under the Act to satisfy the requirement for the benefit of the public.

So far as is possible and subject to the uses permitted under the Act, the aim of the Trustees is that the Foreshore should be accessible by all members of the public who wish to visit it. At the same time, part of the Foreshore is a working beach and so health and safety considerations apply.

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The 2011 Scheme included a new object to distribute surpluses as grants for charitable purposes within the Borough of Hastings. There have been six rounds of small grants the first of which took place in 2011/12, grants for events on Foreshore Land commenced in 2013/14 and have been repeated annually since then.

The Trustee has indicated a willingness to undertake further capital works to assets if financially sustainable, which conform to the Trust's objects.

There will be different views on how the public benefit is best achieved and the Charity Committee will continue to consult with the Coastal Users' Group on proposals for the future of the Foreshore and specifications and standards of maintenance and with the Grant Advisory Panel on the grant criteria and grants processes

Financial Review

The annual accounts are attached to this report and, once again, have received an unqualified audit opinion by external auditors.

The Trust's main sources of income remain that of car parking fees and charges and rental income from property. The expenditure that the Trust incurs is as a result of providing the car parks e.g. operating costs, and the costs of maintaining and developing the foreshore.

Investments – The Trust retains significant cash balances. At 31 March 2017 these were invested as follows:-

	2016/17	2015/16
	£	£
CCLA Investment Management	1,393,958	1,388,578
Co-op Bank (the Trust's Bank Account)	641	678

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The following table compares the major elements of the budget to the actual income and expenditure:-

Statement of Financial Activities

	Budget	Revised	Actual
	Estimate	Budget	Outturn
	£000's	£000's	£000's
Incoming Resources			
Investment Income	6	6	5
Income from Charitable activities	1,182	1,282	1,313
Profit on disposal of Fixed Asset	0	0	127
Total Incoming Resources	1,188	1,288	1,445
Resources Expended			
Loan repayments	47	47	33
Charitable Activities	739	788	820
Maintenance and Cyclical repairs	67	108	93
Governance Costs HBC	59	59	59
Governance Costs (Other)	44	46	47
Total Resources Expended	956	1,048	1,052
Surplus before Grants and Reserve Funded items	232	240	393
Grants	70	70	70
Projects and Other			
Income			
Expenditure			
Net	219	271	138
Surplus (Deficit)	(57)	(101)	185

The surplus before grants and reserve funded items and capital charges was £393,000. In brief, income levels have increased this year, mainly due to an increase in car parking income and the sale of a piece of Land to Hastings Borough Council resulting in the outturn (before Grants and projects) being £161,000 over the original income budget.

The overall outturn position was a surplus of £266,323 after capitalisation of £133,662, and after the disposal of an asset for £127,000 and capital charges of £79,143 (2015/16 surplus of £208,202). The surplus has been added to reserves.

Spend and commitments on projects and other expenditure include net costs, some of which have been capitalised:

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Loans to finance the White Rock Baths

During the year the Hastings Borough Council forgave one of the two loans advanced in 2015/16 of £127,000. This was the result of a land swap by which a parcel of land at West Marina, was transferred to Hastings Borough Council. This is shown in the accounts as a profit on disposal of tangible fixed assets.

Permission for the land swap was obtained from the Charity Commission for the Council and the Trust to do a land swap for a small parcel of land owned by the Trust at West Marina (on the Eastern seaward corner of the old bathing pool site). The Council would accept a small parcel of land which was independently valued at £75,000 and in return has written off the loan in full irrespective of the lower valuation.

The details of which are included in note of the financial Statements

Future Expenditure Plans 2017/18 and beyond

In line with the approved Business plan, expenditure on major Projects and Other Expenditure will continue in 2017/18 and will result in an overall deficit for the year, budgeted at £57,000 - this being funded from Reserves.

Future business plan projects commencing in 2017/18 include the development of ideas for a Coastal Planting Scheme for the Stade Open Space, new seafront information signs that incorporate the new byelaws, the formation of a Marina Litter working group, access audits and potential improvements with local disability groups, potential for new chalets for rental, and a feasibility and costing for the potential for a Water Play feature on the seafront. The 16/17 budget identifies spend on projects and other expenditure amounting to some £286,000. £67,000 of this spend is on cyclical repairs and maintenance and £219,000 is programmed spend, financed from Reserves. The main areas of spend are as follows:-

- £22,000 –White Rock chalets
- £40,000 – New signage to RNLI standard
- £5,000 – Beachfront Children’s play area
- £5,000 – Stade Open Space Landscaping
- £20,000 - Marine Litter Project
- £21,000 Parking Machine upgrades
- £85,000 - Landscaping Water feature

The current business plan, including amounts carried forward from 2016/17 includes the following for Projects and Other Expenditure for the years 2017/18 to 2021/22 is shown below:-

Business Plan	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2017/22
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Projects and other expenditure							
<i>Cyclical Repairs and Redecorations</i>							
Pier Area	1	0	0	0	0	0	0
White Rock Baths	68	20	25	10	10	10	75
Stade Barriers	1	2	2	2	5	2	13

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Cycle Route	1	0	5	0	0	0	5
Public Conveniences	2	6	6	6	4	6	28
Car Parks & Other	10	40	40	47	49	47	223
<i>Total of Cyclical repairs</i>	83	68	78	65	68	65	344
<i>Maintenance Projects</i>							
Beach	11	12	12	12	12	12	60
<i>Total Maintenance Projects</i>	11	12	12	12	12	12	60
<i>Main Programme</i>							
White Rock promenade Kiosk	2						0
New Signage	0	40					40
White Rock Chalets		14					14
Beachfront	19	5					5
Stade Open Space Landscaping		5					5
Access Audit		10	10				20
Marine Litter Project		20					20
Resurfacing Robertson street to Pier	113	25	25	25	25	25	125
Parking Machine Upgrade		21					21
Landscaping adjacent to the boating lake			15	6	6		27
Landscaping Water Feature	3	82					82
Contingency		25	25	25	25	25	125
<i>Total Main Programme</i>	137	258	75	56	56	50	495
Total Projects and Other Expenditure	231	338	165	133	136	127	899

* The 2017/18 estimate has been adjusted for items that were originally planned for 2016/17 but are now in the 2017/18 Business Plan.

Cost of Professional advice Professional advisor fees (including Protector's fees) - £23,780 (2015/16 £27,930)

Auditors/Accountants - £ 3,500 (2015/16 £3,500)

Trustee Expenses and emoluments There were no Trustee expenses charged to the Trust in 2016/17.

£6,310 was paid in 2016/17 (2015/16 £5,940) as a special responsibility allowance to the chair of the charity committee and this is shown as Governance costs in the accounts

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Trustees' Report

Reserves Policy

The policy is reviewed on a regular basis to take account of changes in the future plans of the Trust and perceived risks the last review being 26 June 2017. Reserves are maintained for a variety of reasons and the main points of the Policy are reproduced below.

a) £100,000 is to be retained for an unforeseen emergency or other unexpected need. This amount is arrived at after considering risks and how much might be needed for such contingencies; this involves judgment of events that may occur and their likelihood.

b) Expenditure budget - a small contingency fund to meet unforeseen operational costs.

The expenditure budget is some £960,000. It is suggested that a 10% contingency (say £100,000) be retained for unexpected and unforeseen operational expenditure.

c) Uncertainty over future income. Most well run organisations retain reserves equivalent to a number of weeks or months of equivalent income to allow time to develop new sources of income or to cut-back on related expenditure.

Potential significant loss of income could result from a downturn in economic activity or an increase in fuel costs resulting in fewer tourists, a major disaster in the area, bad weather, pollution incident, or loss of reputation e.g. bathing water deterioration, etc.

It is recommended that the equivalent of 6 months income be retained to cater for this risk which would amount to around £700,000.

d) Planned spending commitments which cannot be met from future income would imply a need for a specific sum to be set aside, often this amount will be included within designations in the accounts.

Given the predicted surplus for each year there is scope to include some of the recurring planned expenditure within the annual budget. There are higher cost initiatives e.g. resurfacing of car parks, roadways etc., that will necessitate identification and retention of significant sums within the accounts.

e) Cash Flow - organisations require a working balance to cover 'troughs' in the cash budget.

Based on the financial year the cash flow is expected to be positive throughout the year i.e. income generated should exceed expenditure. Where significant one off expenditure is incurred e.g. resurfacing, use of reserves would be used to cover any shortfalls. As such no sum is set aside for this specific purpose - especially given the sums detailed above (a to d).

f) In summary the Reserves to be retained amount to :-

Ref.	Risk Area/ Designated Funds	Amount (£)
a)	Unforeseen emergency/event	100,000
b)	Unforeseen operational costs/contingency	100,000
c)	Uncertainty on Income streams	700,000
	Total	900,000

Plus Planned Spending Commitments e.g. repairs and other initiatives identified within the business plan.

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The total funds of the Trust, of which the above form a part, amount to £2,506,516 (2015/16 £2,240,192). The financing of the main programme is dependent upon achieving annual surpluses on the trust's main activities, given the level of Reserves being retained.

Plans for the Future

The Charity Committee looks to review its Business Plan on a regular basis to take account of known variations in resources and new opportunities and commitments. Subject to the Scheme's predetermination that meeting the cost of the administration and the repair and maintenance of its existing assets is the first priority; this will involve consideration of proposals for enhancing income generation and/or reducing operating expenditure as well as providing better facilities and attractions for the public benefit.

Accountants, Auditors and Bankers

The Trust has been grateful for the excellent work of Manningtons (Auditors) in meeting the early closedown of the Accounts – due to the need to report within 6 months of the end of the financial year.

The Trust's monies are managed by the Council (acting as Trustee), and although the Council makes use of the same banks for its own activities as local authority, the Trust's funds are held in separate accounts. Since the date of these accounts, the council has changed its own, and the Trust's, banking arrangements from Co-operative Bank to Lloyds Bank. The Council's comprehensive Treasury Management and Investment Policy requirements equally apply when dealing with Trust monies.

Concluding Remarks

The transfer of the trusteeship to the Council in January 2011 concluded a long and difficult process. The Council has previously thanked the former trustees who were involved in the trust immediately before it transferred to the Council.

The Trust continues to concentrate efforts on ensuring a secure and viable future for the Trust, especially in terms of maintaining and improving its assets, managing its available resources for the long term benefit of the community, and also in the distribution of grants to the benefit of the Community - as resources permit.

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Trustees' Report

Statement of Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the Charity on and signed on its behalf by:

.....
Councillor Sue Beaney
Chair of Charity Committee

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Protector's Report

This is my seventh Annual Report as Protector of The Hastings and St Leonards Foreshore Charitable Trust ("Foreshore Trust" for short). It covers my activities from September 2016 to the date of this report, during which period I was re-appointed for a further three-year period starting 1st April 2017.

The rules of the Foreshore Trust call for the appointment of a Protector to safeguard the proper management of this charitable trust and, in particular, the resolution of any conflicts of interest that may arise from time to time between Hastings Borough Council ("HBC") acting as Trustee of this charity and HBC acting in its capacity as local authority. To this end, the rules provide that the general duty of the Protector is "to ensure the integrity of the administration of the charity", in other words to act as a watchdog over the activities of HBC's Charity Committee in managing the affairs of the Foreshore Trust.

- (1) I have attended all meetings of the Charity Committee.
- (2) Under the constitution of the Foreshore Trust the Trustee must consult two advisory bodies: (1) a nominated consultative and advisory group (currently the Coastal Users' Group) in relation to major foreshore management issues, and (2) the Grant Advisory Panel ("GAP") which deals with the detailed process of recommending grants to be made by the Trustee under powers given in the Scheme. A further advisory committee was formed in 2012, dealing with the management of the Stade Hall. The Protector is entitled to attend the meetings of these groups, though in practice I do not routinely do so. I do however receive notices and minutes of their meetings.
- (3) During the financial year, having obtained a formal clearance Order from the Charity Commission, dated 5th January 2017, the Foreshore Trust transferred a small parcel of land by the beach near Seaside Road at West St Leonards to HBC (in the latter's capacity as local authority) in full and final settlement of a loan of £127,000 made by HBC to the Foreshore Trust during the preceding financial year as part of the funding arrangements for the refurbishment of the White Rock Baths site. The land was previously held in the Foreshore Trust's financial records at "nil" value, so the whole amount of the loan was credited to Foreshore Trust's reserves, and is shown as "Other income" in the Statement of Financial Activities (see also Note 5 to the Accounts). The £127,000 value received by the Foreshore Trust compares with a professional market valuation of the site dated 18th January 2016 of "at or about £75,000", and thus represents a clear financial benefit to the Trust.
- (4) During the year I have been satisfied that the Trustee (Hastings Borough Council), acting through its Charity Committee, has satisfactorily ensured the integrity of the administration of the affairs of the Foreshore Trust, as required by the current Scheme of constitution.

Christopher May FCA

Protector

13th September 2017

Hastings and St Leonards Foreshore Charitable Trust

Independent Auditors' Report to the Members of Hastings and St Leonards Foreshore Charitable Trust

We have audited the financial statements of Hastings and St Leonards Foreshore Charitable Trust for the year ended 31 March 2017, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the (set out on page), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Hastings and St Leonards Foreshore Charitable Trust

Independent Auditors' Report to the Members of Hastings and St Leonards Foreshore Charitable Trust

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is not consistent with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....
(Senior Statutory Auditor)

For and on behalf of Manningtons, Statutory Auditor

7 Wellington Square
Hastings
East Sussex
TN34 1PD

Date:.....

Hastings and St Leonards Foreshore Charitable Trust

Statement of Financial Activities for the Year Ended 31 March 2017

	Note	Unrestricted funds £	Total 2017 £
Income and Endowments from:			
Charitable activities	3	1,326,630	1,326,630
Investment income	4	5,379	5,379
Other income	5	127,000	127,000
Total Income		<u>1,459,009</u>	<u>1,459,009</u>
Expenditure on:			
Charitable activities	6	(1,098,150)	(1,098,150)
Governance costs	7	(94,536)	(94,536)
Total Expenditure		<u>(1,192,686)</u>	<u>(1,192,686)</u>
Net movement in funds		266,323	266,323
Reconciliation of funds			
Total funds brought forward		<u>2,240,193</u>	<u>2,240,193</u>
Total funds carried forward	15	<u>2,506,516</u>	<u>2,506,516</u>
		Unrestricted funds £	Total 2016 £
	Note		
Income and Endowments from:			
Donations and legacies	2	155,227	155,227
Charitable activities	3	1,243,150	1,243,150
Investment income	4	7,620	7,620
Total Income		<u>1,405,997</u>	<u>1,405,997</u>
Expenditure on:			
Charitable activities	6	(1,100,799)	(1,100,799)
Governance costs	7	(96,996)	(96,996)
Total Expenditure		<u>(1,197,795)</u>	<u>(1,197,795)</u>
Net movement in funds		208,202	208,202
Reconciliation of funds			
Total funds brought forward		<u>2,031,990</u>	<u>2,031,990</u>
Total funds carried forward	15	<u>2,240,192</u>	<u>2,240,192</u>

All of the Charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2016 is shown in note 15.

Hastings and St Leonards Foreshore Charitable Trust

(Registration number: 1105649) Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	1,445,741	1,391,222
Current assets			
Cash at bank and in hand		1,394,599	1,389,256
Creditors: Amounts falling due within one year	13	<u>(89,923)</u>	<u>(152,794)</u>
Net current assets		<u>1,304,676</u>	<u>1,236,462</u>
Total assets less current liabilities		2,750,417	2,627,684
Creditors: Amounts falling due after more than one year	14	<u>(243,901)</u>	<u>(387,492)</u>
Net assets		<u>2,506,516</u>	<u>2,240,192</u>
Funds of the Charity:			
Unrestricted income funds			
Unrestricted income funds		<u>2,506,516</u>	<u>2,240,192</u>
Total funds	15	<u>2,506,516</u>	<u>2,240,192</u>

The financial statements on pages 18 to 30 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Councillor Sue Beaney
Chair of Charity Committee

Hastings and St Leonards Foreshore Charitable Trust
Cash Flow Statement for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash income		266,323	208,202
Adjustments to cash flows from non-cash items			
Depreciation		79,143	57,731
Investment income	4	(5,379)	(7,620)
(Profit)/loss on disposal of tangible fixed assets		<u>(127,000)</u>	<u>22,205</u>
		213,087	280,518
Working capital adjustments			
(Decrease)/increase in creditors	13	<u>(233)</u>	<u>609</u>
Net cash flows from operating activities		<u>212,854</u>	<u>281,127</u>
Cash flows from investing activities			
Interest receivable and similar income	4	5,379	7,620
Purchase of tangible fixed assets	12	(133,662)	(817,340)
Sale of tangible fixed assets		<u>127,000</u>	<u>-</u>
Net cash flows from investing activities		<u>(1,283)</u>	<u>(809,720)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		-	427,000
Repayment of loans and borrowings	13	<u>(206,228)</u>	<u>(355,072)</u>
Net cash flows from financing activities		<u>(206,228)</u>	<u>71,928</u>
Net increase/(decrease) in cash and cash equivalents		5,343	(456,665)
Cash and cash equivalents at 1 April		<u>1,389,256</u>	<u>1,845,921</u>
Cash and cash equivalents at 31 March		<u><u>1,394,599</u></u>	<u><u>1,389,256</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Hastings and St Leonards Foreshore Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Judgements

As outlined in Note 16, Hastings Borough Council acts as the sole trustee for the Hastings and St Leonards Foreshore Charitable Trust. The scheme is so constituted as to prevent the Council from obtaining any benefit from the Trust's activities and no group accounts are produced. Further details of the transactions with the Council are given in Note 16.

The Statement of Accounts contains estimated figures that are based on assumptions made by the Trust about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the effect of the elements, maintenance programmes and past experience are taken into account. The carrying amount is £1,445,741 (2016 -£1,391,222).

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Investment income is recognised on a receivable basis.

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The land comprising the foreshore of Hastings and St Leonards was sold to the Trust by the Crown in September 1893 for £400 and subsequent purchases between 1925 and 1934 for a further £630. No valuation of this land has ever been carried out and it is recorded at cost. Land valued at £95,000 was acquired in 2010 as part of a land swap with Hastings Borough Council. Additional expenditure of £119,490 in 2013 represents the cost of creating additional car parking spaces within the Pelham Place car park. This is being depreciated over 15 years, being the estimated time before re-surfacing becomes necessary. The trustee is of the opinion that the open market value is materially in excess of the carrying value of the land.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land	not depreciated
Pelham Place car park additional spaces	over 15 years straight line
White Rock Baths	over 50 years straight line
Winch Road Upgrade	over 15 years straight line
Plant and equipment	over 5 and 15 years straight line

Research and development

Research and development expenditure is written off as incurred.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

Designated funds are unrestricted funds are resources set aside for specific purposes at the discretion of the trustees.

Staff and pension schemes

The charity has no employees but is charged the relevant portion of those undertaking work in pursuance of the charity's objectives. These are employed by Hastings Borough Council and have the choice of being in the relevant defined benefit local government pension scheme.

2 Income from donations and legacies

	Total 2017 £	Total 2016 £
Grants, including capital grants;		
European Fisheries Fund	-	155,227
	-	155,227
	-	155,227

3 Income from charitable activities

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Car Parking	1,062,680	1,062,680	1,031,640
Foreshore management	262,800	262,800	210,370
Street cleansing	1,150	1,150	1,140
	1,326,630	1,326,630	1,243,150
	1,326,630	1,326,630	1,243,150

4 Investment income

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Interest receivable and similar income;			
Interest receivable on bank deposits	5,379	5,379	7,620
	5,379	5,379	7,620
	5,379	5,379	7,620

5 Other income

	Unrestricted funds	
	General £	Total 2017 £
Gains on sale of tangible fixed assets for charity's own use	127,000	127,000
	127,000	127,000
	127,000	127,000

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

6 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Total 2017 £	Total 2016 £
Car parking	268,249	-	268,249	248,553
Foreshore management	402,016	-	402,016	510,151
Street cleansing	86,640	-	86,640	79,460
Public conveniences	159,199	-	159,199	142,335
White Rock Baths and other	111,985	-	111,985	-
Small and event grants	-	70,060	70,060	69,700
Grants paid on FLAG projects	-	-	-	50,600
	<u>1,028,089</u>	<u>70,060</u>	<u>1,098,149</u>	<u>1,100,799</u>

£1,098,149 (2016 - £1,100,799) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Wages and salaries	6,310	6,310	5,940
Audit fees			
Audit of the financial statements	3,500	3,500	3,500
Legal fees	23,780	23,780	27,930
HBC management charges	60,310	60,310	58,750
Other governance costs	636	636	876
	<u>94,536</u>	<u>94,536</u>	<u>96,996</u>

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2017 £	2016 £
Audit fees	3,500	3,500
(Profit)/loss on disposal of tangible fixed assets	(127,000)	22,205
Depreciation of fixed assets	79,131	57,731
	<u>75,631</u>	<u>83,436</u>

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

The profit on disposal arising in the year is the proceeds from the land swap in settlement of the loan as per the agreement with Hastings Borough Council. The land disposed of was previously included at zero value.

The loss on disposal arising in 2016 represents an asset that was previously capitalised that is now considered not to belong to the Trust.

9 Trustees remuneration and expenses

Payments to the Trustee related entirely to recharges of costs incurred by HBC on behalf of the charity. These included a payment by HBC to the Chair of the Charity Committee of HBC by way of a responsibility allowance from the Council of £6,310 (2016 - £5,940), included in Governance costs.

10 Staff costs

The Trust does not directly employ any staff. As such no employee received emoluments of more than £60,000 during the year

The total benefits of the key personnel of the Charity were £16,460 (2016 - £15,580).

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

11 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Total £
Cost			
At 1 April 2016	1,029,241	512,121	1,541,362
Additions	114,850	18,812	133,662
At 31 March 2017	1,144,091	530,933	1,675,024
Depreciation			
At 1 April 2016	29,093	121,047	150,140
Charge for the year	33,464	45,679	79,143
At 31 March 2017	62,557	166,726	229,283
Net book value			
At 31 March 2017	1,081,534	364,207	1,445,741
At 31 March 2016	1,000,148	391,074	1,391,222

The additions to Land and building in the year includes £106,000 in respect of the Sea Escapes project. The total project costs were budgeted at £354,000 partly funded by The Coastal Communities Fund (£100,000) and Hastings Borough Council (£140,000).

The project was to improve the area around the White Rock baths. This included resurfacing decking a kiosk and planters. The Trust owns some 71% of the land upon which the improvements were undertaken.

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Other amounts owed to Hastings Borough Council	57,765	109,178
Loans from Hastings Borough Council	28,282	39,507
Accruals	3,876	4,109
	89,923	152,794

14 Creditors: amounts falling due after one year

	2017 £	2016 £
Loans from Hastings Borough Council	243,901	387,492

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

The amount is the long term portion of the £300,000 annuity loan. The loan is at 1.66%, and has biannual payments. The £127,000 annuity loan has been cancelled during the year.

For the £300,000 annuity loan, to limit the potential impact on the Trust, the Council shared the risk on a 50:50 basis. For clarity, the annual borrowing costs are £32,643, if the venture failed the amount payable per annum by the Trust would be reduced by 50%. If a new tenant was found at that time but the rental stream achieved was lower, then the shortfall would be shared.

15 Funds

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2017 £
Unrestricted funds					
<i>Unrestricted general funds</i>					
Unappropriated reserve	-	1,332,009	(1,065,685)	(266,324)	-
<i>Unrestricted designated funds</i>					
Contingency reserve	690,000	-	-	210,000	900,000
Main programme reserve	158,971	-	-	1,804	160,775
Fixed asset fund	1,391,221	-	-	54,520	1,445,741
	<u>2,240,192</u>	<u>-</u>	<u>-</u>	<u>266,324</u>	<u>2,506,516</u>
Total funds	<u>2,240,192</u>	<u>1,332,009</u>	<u>(1,065,685)</u>	<u>-</u>	<u>2,506,516</u>
	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2016 £
Unrestricted funds					
<i>Unrestricted general funds</i>					
Unappropriated reserve	-	1,405,997	(1,197,795)	(208,202)	-
<i>Unrestricted designated funds</i>					
Contingency reserve	690,000	-	-	-	690,000
Main programme reserve	688,172	-	-	(529,201)	158,971
Fixed asset fund	653,818	-	-	737,403	1,391,221
	<u>2,031,990</u>	<u>-</u>	<u>-</u>	<u>208,202</u>	<u>2,240,192</u>
Total funds	<u>2,031,990</u>	<u>1,405,997</u>	<u>(1,197,795)</u>	<u>-</u>	<u>2,240,192</u>

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

The specific purposes for which the funds are to be applied are as follows:

The Main programme reserve is held to fund the Trust's business plan initiatives and significant items of repair and maintenance that cannot be financed in a single year.

The Fixed asset fund is created to recognise that an equivalent amount of reserves has already been used, and is not available for further use.

The Unappropriated reserve represents all monies for which a specific purpose remains to be determined.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

16 Related party transactions

During the year the Charity made the following related party transactions:

Hastings Borough Council (Trustee)

The Foreshore Trust took two loans last year from Hastings Borough Council to allow it to fund the conversion of White Rock Baths as a BMX centre and café.

The property belongs to the Foreshore Trust and the two loans granted by Hastings Borough Council one for £300,000 and the other for £127,000. Both loans were for a ten year period. The Building has been leased to The Source for a period of ten years and the rental income generated will contribute to the repayment of the loan principal and interest.

The loans are repayable in biannual payments. The £300,000 annuity loan being at 1.66%, and the first payment being due on the 21st September 2016. The £127,000 annuity loan has similar terms with an interest rate of 1.82% with the first payment due on the 1st of September 2016.

For the former, to limit the potential impact on the Trust, the Council would share the risk on a 50:50 basis. For clarity, the annual borrowing cost is £32,643 if the venture failed the amount payable per annum by the Trust would be reduced by 50%. If a new tenant was found at that time but the rental stream achieved was lower, then the shortfall would be shared.

For the latter, it was agreed however that the Council and the Trust would seek to do a land swap and in return the Council would write off the loan in full irrespective of the valuation. The land swap was for a small parcel of land (independently valued at £75,000) owned by the Trust at West Marina (on the Eastern seaward corner of the old bathing pool site). The principal paid by the Trust on the loan was reimbursed by the Council.

Permission for the land swap was obtained from the Charity Commission and was actioned in the year. The loan for £127,000 has now been cleared. At the balance sheet date the amount due to Hastings Borough Council was £329,948 (2016 - £536,177).

Agenda Item 7



Report to: Charity Committee

Date of Meeting: 25 September 2017

Report Title: Finance Report

Report By: Peter Grace
Assistant Director - Financial Services & Revenues

Purpose of Report

To advise members of the Committee on the current year's financial position.

Recommendation(s)

1. To agree the current financial position for 2017/18.

Reasons for Recommendations

The Council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with Accounting Codes of Practice and the high standards required for the accounting of Public money.

A surplus slightly below budget expectations is anticipated for 2017/18 in respect of ongoing operations.

Introduction

1. The Foreshore Trust derives its income mainly from car parking and property leases/licences, the former income stream being quite variable.
2. Appendix 1 attached provides a summarised financial position for 2017/18.

Financial Position 2017/18

3. The budget agreed in March 2017 identified budgeted income at £1,335,000 and expenditure at £978,000. At the June meeting expenditure budget was reduced to £960,000 to reflect the land swap reducing loan repayments. The estimated surplus for the year then being £375,000, after direct governance costs, but before distribution of grants, capital charges and before use of Reserves.
4. Income is currently anticipated to be £27,000 above budget mainly due to parking income being higher than anticipated. Expenditure projections are currently £50,000 above budget due to the anticipated savings in the cleaning contract have not been realised.

Business Plan 2017/18

5. The Charity Committee on 20 March 2017, approved the rescheduling of certain schemes (i) Marine Litter project (ii) landscaping/water feature (iii) Access Audit and (iv) Pier White Rock improvements. The Business plan has been amended to reflect this. The meeting on the 26th June made further changes taking out the Seafront Splash Play and re-profiling further spend.
6. The level of programmed spend continues to reduce the cash balances held by the Trust for this financial year. Whilst it is the case that the level of reserves will decrease, the Trust will still retain reserves above the minimum level identified within the Reserves Policy – subject to no unexpected calls on the reserves and no reduction in the expected levels of car parking and fee income.
7. The current programme of works is identified in Appendix 2. The Committee has approved expenditure on all these schemes (subject to further reports in respect of asterisked items).

Reserves

8. The total effective cash balances of the Trust at the 31 March 2017 amounted to £1.30m after providing for the outstanding settlement to Hastings Borough Council for the outstanding amount owed for 2016/17 and the short term portion of the loan from Hastings Borough Council.
9. With the current business plan, the revised cash balances for future years are estimated as follows :-

£1.30m as at 31st March 2018,

£1.46m as at 31st March 2019,

£1.63m as at 31st March 2020.

£1.78m as at 31st March 2021.

£1.92m as at 31st March 2022.

10. The reserves policy agreed at the 26th June 2017 meeting raised the level from £690,000 to £900,000 as the suitable level of Reserves to maintain – given the potential risks faced by the Trust.

Wards Affected

None

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

Appendix 1 - Financial Monitoring Report
Appendix 2 - Business Plan - Financial Summary
Appendix 3 - Indicative Forward Plan

Officer to Contact

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Hastings and St Leonards Foreshore Charitable Trust

Appendix 1

Actual expenditure to 31st August 2017

SUMMARY - MONITORING REPORT

	Outturn 2016-17	Budget 2017-18	YTD Actual 2017-18	Estimate to end of year	Forecast Outturn 2017-18	Variance to Budget	Estimated Budget 2018-19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Incoming Resources							
Investment Income	(5)	(6)	(1)	(2)	(3)	3	(6)
Incoming resources from Charitable activities	(1,103)	(1,099)	(645)	(484)	(1,129)	(30)	(1,099)
Rental income	(210)	(230)	(127)	(103)	(230)	(0)	(230)
Profit on disposal of Fixed Asset	(127)	0	0	0	0	0	0
Total incoming resources	(1,445)	(1,335)	(773)	(589)	(1,362)	(27)	(1,335)
Resources Expended							
Loan repayments	33	33	0	33	33	(0)	33
Charitable Activities* (excluding Capital charges)	820	788	222	566	788	0	788
Maintenance projects and cyclical repairs	93	81	5	75	81	0	81
Governance costs	106	108	15	92	108	0	108
Total resources expended	1,052	1,010	243	766	1,010	(0)	1,010
Total Operating (Surplus)/Deficit	(393)	(325)	(531)	177	(352)	(28)	(325)
Grants	50	50	(3)	53	50	0	50
Events	20	20	15	5	20	0	20
Projects**	138	259	0	258	258	(0)	258
(Surplus)/Deficit	(186)	4	(519)	492	(23)	(28)	4
Interest Income non HBC	(5)		(5)		(3)		
Transfer to/(from) HBC account							
Total Funds (cash) brought forward		1,304			1,304		1,327
Total funds carried forward		1,300			1,327		1,324

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Business Plan

Appendix 2

Foreshore Trust Spending Plan			2016-2017	2016-2017	2016-2017	2017-2018	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total
Cost centre	PROPERTY	DESCRIPTION OF WORK	BUDGET	REVISED BUDGET	UNAUDITED OUTTURN	ESTIMATE	Current	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE 2017- 2022
			£	£	£	£	£	£	£	£	£	£
Maintenance projects												
5290B020	Pier Area	Area inspections and repairs	3,000	3,000	862	0	0	0	0	0	0	0
5290B020	White Rock Baths	External redecoration/ Building maintenance	27,000	27,000	27,225.86	10,000	750	25,000	10,000	10,000	10,000	65,000
5290B020	White Rock Baths	Alleviate Water ingress		40,850	40,850	10,000						10,000
5290B020	Stade Barriers	Annual maintenance	2,000	2,000	1,486	2,000	1,254	2,000	2,000	5,000	2,000	13,000
5290B020	Cycle route	Contribution to maintenance	5,000	5,000	881		0	5,000				5,000
5290B020	Public Conveniences	Maintenance	6,000	6,000	2,050	6,000		6,000	6,000	6,000	6,000	30,000
5290B020	Car Parks Rock a Nore	Maintenance	6,000	6,000	6,025	6,000	1,753	6,000	6,000	6,000	6,000	30,000
5290B020	Car Parks - Pelham	Maintenance	6,000	6,000	2,689	6,000	771	6,000	6,000	6,000	6,000	30,000
5290B020	Chalets - White Rock & Marina	Maintenance				2,000	64	2,000	2,000	2,000	2,000	10,000
5290B020	Play Areas and Exercise Equipment	Maintenance of equipment				5,000		5,000	15,000	15,000	15,000	55,000
5290B020	Water Play *	Maintenance & operation				12,000		12,000	12,000	12,000	12,000	60,000
5290B020	Winch Road	Maintenance & lighting				2,000		2,000	2,000	2,000	2,000	10,000
5290B020	White Rock Promenade Kiosk	Maintenance						3,000				3,000
5290B020	Signage repairs	Maintenance						1,000	1,000	1,000	1,000	4,000
5290B020	Stade and Stade Kitchen	Maintenance				3,000		3,000	3,000	3,000	3,000	15,000
5290B020	Cycle Hire	Replacement bikes				4,500						4,500
Total of Cyclical Repairs and Redecorations			55,000	95,850	82,068	68,500	4,591	78,000	65,000	68,000	65,000	344,500
0												
5290B020	Beach - Other	Other repairs and renewals beachfront area	12,000	12,000	10,644	12,000	478	12,000	12,000	12,000	12,000	60,000
Total Maintenance Projects			12,000	12,000	10,644	12,000	478	12,000	12,000	12,000	12,000	60,000
Projects (main programme)												
			£	£	£	£	£	£	£	£	£	£
5291B022	White Rock Promenade Kiosk	Kiosk to be operated by The Source	53,630	53,630	2,410							0
5292B022	White Rock Chalets	Purchase 12 new chalets		14,000	11,660	22,370						22,370
5293B022	Beachfront	New signage to RNLI standard potential 50% contribution from RNLI	40,000	40,000		40,000						40,000
5287B020	Winch road	Winch road upgrade**		3,000								0
5293B022	Beachfront	Children's play area	25,000	25,000	19,990	5,010						5,010
5293B022	Stade Open Space Landscaping		5,000	1,000		5,000						5,000
5293B022	Marine litter project*		20,000			20,000						20,000
5287B020	Soakaways re Winch project			10,000	9,630							0
	Access Audit	Implement prioritised actions				10,000		10,000				20,000
5298B022	Resurfacing Robertson Street to Pier/White Rock Promenade improvements	Work with potential Coastal Communities Fund match - additional surveys to complete		103,000	103,000	25,000		25,000	25,000	25,000	25,000	125,000
5293B022	Landscaping - adj. to boating lake							15,000	6,000	6,000		27,000
5294B020	Parking machine Upgrades	Upgrade of new machines to cater for new coins and new signage		21,000	0	21,100						21,100
5298B022	Landscaping/Water Feature* (Water Feature only)	Work to enhance Coastal Communities funded 4 landscaping. Total costs £180,000 of which the Trust has approved £50,000 and CCF £95,000 .A further £35,000 is being sought*.	50,000		3,000	85,000						85,000
5296B022	Contingency		25,000			25,000		25,000	25,000	25,000	25,000	125,000
Total Programme			218,630	270,630	149,690	258,480	0	75,000	56,000	56,000	50,000	495,480

*Further Charity Committee Approval before additional spend

**Fisheries Local Action Group (FLAG) projects

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Hastings and St Leonards Foreshore Charitable Trust

Indicative Forward Plan	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn	Budget	Budget	Budget	Budget	Budget
	Unaudited	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Incoming Resources						
Investment Income	(5)	(6)	(8)	(9)	(10)	(11)
Incoming resources	(1,313)	(1,329)	(1,329)	(1,329)	(1,329)	(1,329)
Profit on disposal of fixed assets	(127)					
Total incoming resources	<u>(1,445)</u>	<u>(1,335)</u>	<u>(1,337)</u>	<u>(1,338)</u>	<u>(1,339)</u>	<u>(1,340)</u>
Resources Expended						
Loan repayments	33	33	33	33	33	33
Charitable activities (exc capital charges)	820	788	804	820	836	853
Maintenance projects and cyclical repairs	93	81	90	77	80	77
Governance costs	106	108	110	112	114	116
Total Resources Expended	<u>1,052</u>	<u>1,010</u>	<u>1,037</u>	<u>1,042</u>	<u>1,063</u>	<u>1,079</u>
Total Operating Surplus	<u>(393)</u>	<u>(325)</u>	<u>(300)</u>	<u>(296)</u>	<u>(276)</u>	<u>(261)</u>
Grants	50	50	50	50	50	50
Events	20	20	20	20	20	20
Projects (Main programme)	138	258	75	56	56	50
(Surplus)/Deficit	<u>(185)</u>	<u>4</u>	<u>(155)</u>	<u>(170)</u>	<u>(150)</u>	<u>(141)</u>
Usable current assets	1,236	1,305	1,302	1,457	1,627	1,777
Usable current assets carried forward	1,305	1,302	1,457	1,627	1,777	1,918
Minimum reserves	690	900	900	900	900	900

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