

Public Document Pack

Charity Committee Agenda

Monday, 24 September 2018 at 6.00 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, TN34 3UY.
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For further information, please contact Emily Horne on 01424 451719 or email ehorne@hastings.gov.uk

	Page No.
1. Apologies for absence	
2. Declarations of interest	
3. Minutes of previous Charity Committee held on 25 June 2018	To Follow
4. Notification of any additional urgent items	
5. Foreshore Trust Small Grants Programme 2018-19 <i>(Ian Sycamore, External Funding Manager)</i>	1 - 10
6. Land at the Stade – East Hastings Sea Angling Association <i>(Amy Terry, Estates Manager)</i>	11 - 16
7. Foreshore Trust - Annual Report and Final Accounts 2017-18 <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	17 - 52
8. Finance Report <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	53 - 80
9. Minutes of Coastal Users Group (18 September 2018)	81 - 86
10. Urgent items (if any)	

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Agenda Item 5



Report to: Charity Committee

Date of Meeting: 24th September 2018

Report Title: Foreshore Trust Small Grants Programme 2018-19

Report By: Victoria Conheady

Assistant Director Regeneration and Culture, Economic Development Manager

Purpose of Report

1. To present the recommendations of the Grant Advisory Panel (GAP) in respect of applications for the Small Grants Programme Round 8 2018-19.
2. To consider the GAP recommendations on the changes to the Grants Programme

Recommendation(s)

1. That the meeting consider for approval the Small Grants recommendations of the GAP as set out in Appendix 1
2. That the meeting defer a decision regarding the various changes to the Grants Programme, to allow a full review of the current grant schemes

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 2018-19 budget.

The GAP proposed changes for the Grants Programme and these implications across the scheme should be considered in more detail prior to further consideration and decision by the Charity Committee.

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. £60,000 is available for the 2018-19 financial year for small grants of up to £5,000 each.

3. The process used to invite and evaluate grant applications was in accordance with the protocols agreed by the Charity Committee in December 2014.
4. The Panel met in July 2018 to discuss the respective merits of each application. Its recommendations are set out in the report from the Panel Chair (Appendix 1).
5. 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.
6. In total, seventeen projects are recommended for approval with some of these subject to conditions. All of the approved projects are to be delivered between October 2018 and September 2019. The amount recommended totals £60,000.
7. Out of the 17 organisations, 4 were new applicants.
8. The additional GAP recommendations in item 10 of Appendix 1 relate to changes in the current implementation of both the small grants and events grant programme. Given these requests for change it is pertinent to re-assess the whole Grant Programme scheme for consideration at a later meeting.

Policy Implications

9. 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.

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)	No
Risk Management	No
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Report Template v29.0

Additional Information

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

Officer to Contact

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Report to: Charity Committee

Date of Meeting: 24th September 2018

Report Title: Foreshore Trust Small Grants Programme Round 8 2018-19
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 Round 8 2018-19 and the allocations that will be made to each. Additionally to consider changes proposed to the Grant Programme.

Recommendation(s)

1. To consider the Grant Advisory Panel's (GAP) recommendation to award small grants to the organisations shown in Appendix 2.
2. To consider the GAP recommendations regarding changes to the Foreshore Trust grant programme as detailed in item 10

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.

To assess the operation of the grants programme in terms of administration and impact.

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 £60,000 is available for the 2018-19 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 2018 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 14th June 2018.

Assessment of applications

3. A total of 57 enquiries were received for the small grants and by the closing date, 32 applications were actually submitted. The total amount requested was £124,391.
4. The GAP met on 17th and 24th July 2018 to review and assess all the applications submitted. The six members available were paired up and 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 decisions 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 2.
8. Of the 32 applications considered, GAP recommends to the Charity Committee that 17 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 2018 to September 2019. The amount recommended totals £60,000.
10. Additionally, at its meeting the Grant Advisory Panel also discussed the implications of administering the scheme and the impact achieved from funding and recommended the following proposals:
 - To introduce a minimum level of grant application of £750 to apply to both the Foreshore Trust Small and Event Grant Programmes.
 - To increase the maximum grant level of grant application to £6,000 for the Foreshore Trust Small Grant Programme.

- To increase the maximum grant level of grant application to £3,000 for the Foreshore Trust Event Grant Programme.
- To consider changes to the eligible area for the Events Grant Programme (currently limited to Foreshore Trust owned land).
- To consider the development of a specific Foreshore Trust logo to be used by successful applicants to promote and market the grants programmes.

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 2 – Foreshore Trust Small Grants Round 8 18-19 Recommended Applications

Officer to Contact

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Appendix 2 – Foreshore Trust Small Grants

Foreshore Small Grants Programme Round 8 2018-19 – Recommended applications

Applicant	Project Name	Funding recommended
Age UK East Sussex	Volunteer Opportunities at Age UK East Sussex Information Centre in Hastings The project is to recruit and train a team of ten Volunteer Information and Advice Assistants to support the delivery of their free Information and Advice service from the Age UK East Sussex Information Centre at Queens Road in Hastings. The volunteers will provide a front line point of contact for drop in clients and those contacting the service by telephone and email.	£4,121
Baby Basics Hastings (part of King's Church) New applicant	Baby Basics Hastings Supporting mothers who are in poverty and their newborn babies, as referred by local healthcare professionals, to give their newborns a good start in life. Most of the pregnant women referred so far have been homeless, victims of human trafficking or victims of domestic violence. When they are about a month away from their due date, they supply the basics they will need when their babies arrive.	£3,500
Bexleigh, Hythe and Abbey Drive Residents Association	Sophie's play space a space for all The group raised 60k to install some play equipment in their neighbourhood and would now like to make this area more inclusive to all. The overall project aim is to raise enough funds to install a roundabout that is wheel chair accessible into their community playground next to the football ground adjacent to a land fill site on Bexhill Road.	£5,000
Citizens Advice 1066	Development of Pro Bono Law Clinics for Hastings Improved access to legal advice for people in Hastings and St Leonards. The grant would enable the group to resource the development of pro bono law clinics in Hastings and begin to offer a service to local people with a launch in Spring 2019. This service would involve volunteers who could be local solicitors, law graduates or volunteers who wanted to develop/ could offer administrative support. The service would be free to local residents.	£4,417
Counselling Plus Community (CPC)	Stability After Crisis: preventing suicide 61 Hastings residents committed suicide over a 4 year period. CPC has professional and effective counsellors who last year worked with over 50 people who either had a clear plan to end their lives or had just attempted suicide. They work with clients to help them deal with the immediate crises and then build future resilience. Specific funding enables suicidal clients to be seen immediately as waiting for counselling is potentially dangerous.	£4,990
Hastings & St.Leonards Voluntary Lifeguard Club	Community participation in all levels of Resuscitation and use of community AED To educate all ages how to perform emergency CPR on any 'casualty' and to be confident in using a community AED. They will also train participants how to treat a choking casualty.	£1,501
Hastings Advice and Representation Centre HARC	Challenging and Improving the DWP Health Assessment Process A HARC survey in early 2018 revealed many shocking experiences encountered by clients at DWP health assessments. HARC wants to use the evidence gathered to make the process of assessment more consistent and fair. A positive assessment outcome dramatically affects the lives of those who are attending, relieving poverty, reducing financial hardship, improving mental and physical wellbeing and the entitlement to basic human rights. They want to work with clients and partners to advocate change.	£5,000
Hastings and District Interfaith Forum	Winter Festival of Faiths and Cultures Fostering community cohesion and cross cultural respect and collaboration by bringing together local representatives of different faiths, cultures/ethnicities and generations to share in an event that celebrates diversity in particular with reference to faith and culture	£800
Hastings Sinfonia New applicant	Hastings Sinfonia's "Fiesta" Summer Concert 2019 A Fiesta style concert with world class classical guitarist from Italy and dancers	£750

Hastings Street Pastors	Hastings Street Pastors The group are trained, insured and DBS checked night time volunteers from 24 local churches, who non-judgementally promote peace, reduce the incidence and fear of crime and anti-social behaviour and offer care & support and listen, care and help everyone we come across, never preaching or seeking to convert anybody. Since 2010 they patrol twice a week in a team of at least 3 & often signpost folk to local drug, drink and homeless agencies.	£4,605
Hastings District Woodcraft Folk	Training To increase volunteer training within Hastings Woodcraft Folk, in order to increase their confidence, ability and capacity to deliver environmental/arts/self-development education to local children.	£1,614
Home Live Art New applicant	Home Live Art: Queer Performance Salon 1. Run an assertive outreach programme to reach and engage LGBTQ people from across generations, ethnicities and socio-economic divides in Hastings/St Leonards 2. Run a 'Salon' event where 2 artists from Hastings/St Leonards and 2 artists from elsewhere perform works that explore issues of sexuality and gender. 3. Evaluate and collect feedback of the event to inform HLA's future work with the LGBTQ community.	£2,500
Home-Start East Sussex	Hastings Freedom Reflective Domestic Abuse Course 11 week course providing domestic abuse survivors, primarily with children, with: <ul style="list-style-type: none">• information to help them to understand abuse;• a place to meet other women survivors to encourage peer support/resilience;• understanding of the effects of domestic abuse on their children;• ability to recognise future potential abusers and to move on to live abuse free lives;• an appreciation of the value of local community resources and ways of accessing them.	£4,999
Oasis Community Project – East Hastings New applicant	Oasis Men's group The Oasis men's group will reduce social isolation and loneliness and improve mental health and wellbeing by providing a venue for men to meet as they are often under represented and their needs are not met as other groups can be predominately attended by women. The men attending will also increase knowledge of health from guest speakers, chair based exercises, cooking and weekly activities.	£3,982
Stay Up Late	Gig Buddies Gig Buddies is our volunteer befriending scheme that matches up socially isolated people with learning disabilities and/or autism with a volunteer who shares the same cultural interests, that needs to establish a greater presence in the Hastings area to address their growing waiting list and the particular focus would be: <ul style="list-style-type: none">- Focussed volunteer recruitment campaigns for volunteers.- Running advisory group meetings in Hastings to enable greater involvement from participants in the area.	£3,100
The Sara Lee Trust	Specialist counselling and complementary therapy provision The Trust aims to improve the quality of life of people affected by cancer and other life threatening illnesses (including family members, carers and loved ones) in Hastings and St Leonards through the provision of free of charge counselling support and therapy care. Local need far exceeds the current capacity and they are applying for funding to provide care for 50 local people.	£5,000
Hastings & Rother YMCA	Cabin Revival The Y has an exterior building which they call variously the Cabin or the Outdoor Classroom! This cabin is used as classroom space but is in dire need of refurbishment, as they need to replace the roof and flooring and upgrade the kitchenette.	£4,121
Total		£60,000

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Agenda Item 6



Report to: Charity Committee

Date of Meeting: 24 September 2018

Report Title: Land at the Stade – East Hastings Angling Association

Report By: Peter Grace
Assistant Director Financial Services & Revenues

Purpose of Report

To seek approval to grant a lease.

Recommendation(s)

1. That Charity Committee agrees to grant a lease of land at the Stade to East Hastings Sea Angling Association on the terms set out in the report.

Reasons for Recommendations

The terms of the proposed lease are considered to be the best that can reasonably be obtained for the charity.

Background

1. As part of the re-development of the Stade area a balcony was constructed between the East Hastings Sea Angling Association (EHSAA) clubhouse building and Stade Hall.
2. EHSAA were to take on responsibility for maintaining the structure so a lease of the land it was built on (shown coloured blue and pink on the attached plan) was granted to them.
3. A report was obtained from external Surveyor's, Dyer & Hobbs. This advised that letting the land to EHSAA would enable them to benefit from the improvement works at the Stade and appeared to be consistent with the objectives of the Charity. In addition the land has nominal value and usefulness, the Charity already receives the benefit of rent from the clubhouse building and will receive the benefit of the structure built on the land at lease expiry. In their opinion the value of the leasehold interest assuming a term co-terminus with the clubhouse building (until 31 March 2029) is at or about £1 per annum.
4. Unfortunately due to an error in the report to Charity Committee the lease was only granted until March 2019 not 2029.

Proposal

5. There is strict regulation of the disposal of land and land interests of charities and for a commercial lease of more than 7 years the trustees:
 - Must obtain and consider on the proposed disposition views from a qualified surveyor instructed by the trustee and acting exclusively on behalf of the charity;
 - Advertise the proposed disposition for such period and in such manner as the surveyor recommends in the report, unless the surveyor has advised that it is not in the best interests of the charity to advertise it; and
 - Decide that it is satisfied, having considered the report, that the terms of the proposed disposition are the best that can reasonably be obtained for the charity.
6. As there has been an error Charity Committee are asked to approve renewing the lease for a term from 1 April 2019 to 31 March 2029 at a rent of £1 per annum in line with the external Surveyor's report.

Wards Affected

N/A

Policy Implications

Report Template v29.0

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

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

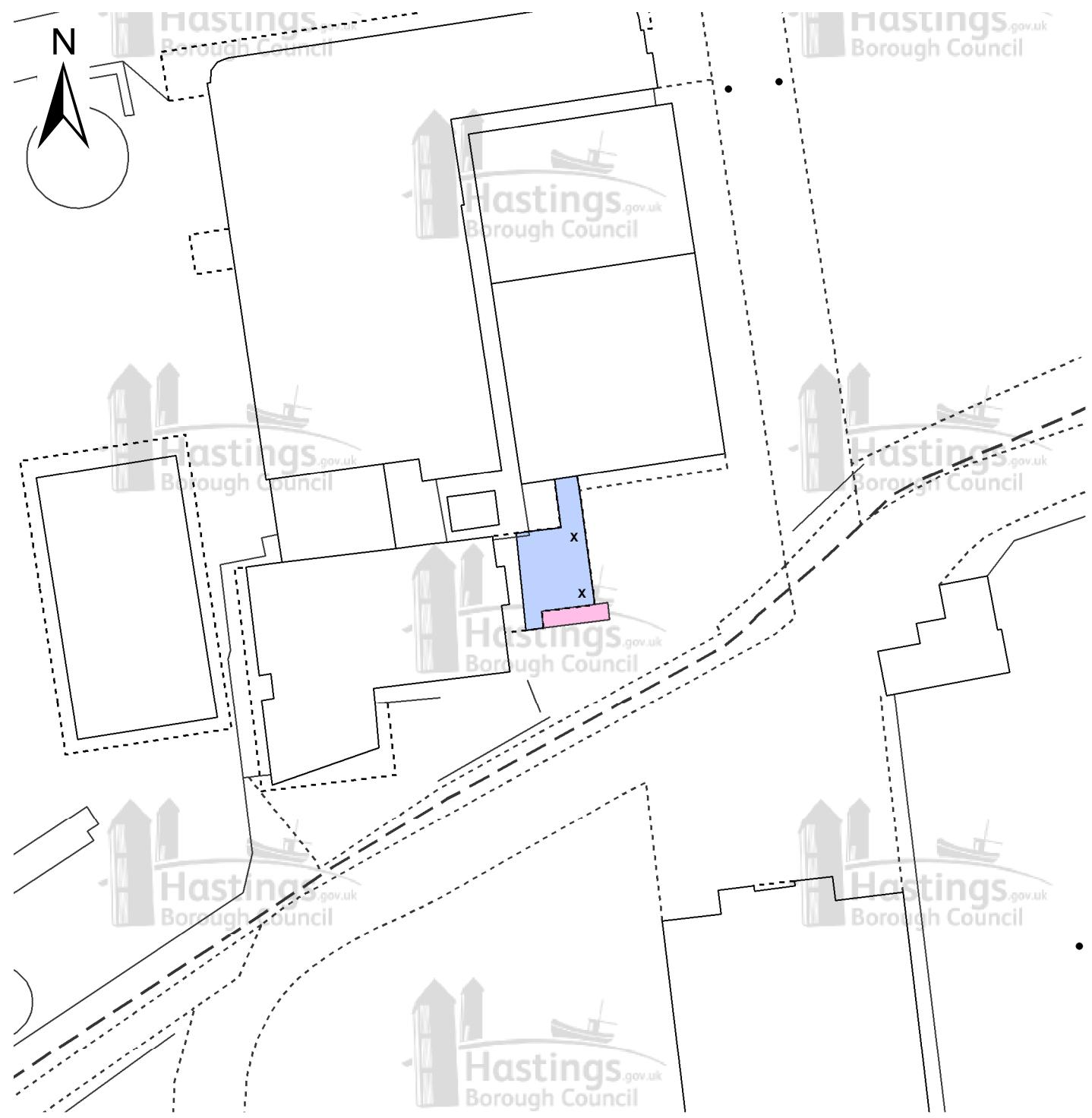
Additional Information

Plan ESAD 1585 attached.

Officer to Contact

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01424 451640

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First Floor Balcony
East Hastings Sea Angling Association
The Stade
Hastings

Pink Land - All Levels
Blue Land - First Floor and Supportings Pillars only.
(Supporting pillars indicated with a cross)



Estates Manager:
Amy Terry M.R.I.C.S.
Aquila House, Breeds Place,
Hastings, East Sussex TN34 3UY

Tel: 01424 451085 Fax: 01424 451515
email: estates@hastings.gov.uk

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Agenda Item 7



Report to: Charity Committee

Date of Meeting: 24 September 2018

Report Title: Foreshore Trust – Annual Report and Final Accounts 2017-18

Report By: Peter Grace, Assistant Director of Financial Services and Revenues (Chief Finance Officer)

Purpose of Report

The purpose of this is for members of the Committee to consider the 2017/18 Annual Report and Financial Accounts

Recommendation(s)

1. The Annual Report and Financial Accounts for 2017/18 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 authorised to approve the annual report and accounts which must be done 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 2017/18

3. A surplus of £253,000 was achieved as detailed in the Statement of Financial Activities section of the Trustee's report which was below expectations, principally due to lower income from car parking charges than budgeted.
4. In terms of net current assets (effectively the cash position) the balance is £1,445,112 as at 31 March 2018, whilst total funds (which includes all assets) amount to £2,630,833.
5. The balance sheet note¹⁵ identifies the cash reserve as the Contingency Reserve £900,000 and the Main Programme Reserve of £329,964 totalling £1,229,964. This is different from the effective cash position as it takes into account the outstanding long term loan from Hastings Borough Council of £215,148.
6. The business plan identifies commitments amounting to £658,000 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 and is due to be reviewed and approved again in a separate report at tonight's 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

Report Template v29.0

Additional Information

Appendix 1 – Annual Report and Financial Statements

Officer to Contact

Peter Grace

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01424 451503

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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 2018

Hastings and St Leonards Foreshore Charitable Trust

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Hastings and St Leonards Foreshore Charitable Trust

Reference and Administrative Details

Trustee	Hastings Borough Council
Other Officers	Councillor Kim Forward, Committee Member (resigned 10 July 2017) Councillor Andrew Cartwright, Committee Member (resigned 17 May 2017) Councillor Colin Fitzgerald, Committee Chair (resigned 17 May 2017) Councillor Dawn Poole, Committee Member (appointed 10 July 2017 and resigned 16 May 2018) Councillor Andy Batsford, Committee Member (appointed 10 July 2017) Councillor Sue Beaney, Committee Chair (appointed 17 May 2017) Councillor Judy Rogers, Committee Member (appointed 16 May 2018)
Charity Registration Number	1105649
Bankers	Lloyds Bank 17 Wellington Place Hastings TN31 1NX
Auditor	Manningtons 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

Trustee's Report

The Trustee presents the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2018.

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

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. Councillor Dawn Poole stepped down and Councillor Judy Rogers was appointed as of 16 May 2018.

New Grants Advisory Panel member Maria Gonet who started in January 2018 replaced Richard Lewis who retired in November 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.

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

ii) The Protector

When considering the request of the former independent Trustees to appoint the Council as Trustee, the 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 2017/18, they were also consulted on a potential splash pad and water play area (did not progress), 'The Landing' public art, Coastal Communities Fund round 4, new developments in discussion such as the proposed Hastings marina, the new marine conservation zone, new chalets on Foreshore Trust land, Coastal protection and the harbour arm, RNLI lifeguarding provision, 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 2017/18 year's round of grant making, resulting in the award of grants totalling £49,538 and grants for events totalling £20,095 (2016-17 £50,000 and events £19,786). The following grants were awarded:

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

Organisation	Project	Grant Awarded
Barbarian Swimmers	Teaching course	£1,510
Counselling Plus Community	Hardship Fund	£5,000
Culture Shift CIC	Craftivist Automata Project on the Pier	£5,000
Education Futures Trust	The Shore Academy 'I Love Hastings' project	£5,000
Family Support Work	Supporting vulnerable families in Hastings & St Leonards	£1,002
Hastings & Rother Disability Forum	Two Way Communication	£1,180
Hastings Furniture Service	Access all areas: Improved access to HFS services and volunteering opportunities for people with disabilities and limited mobility	£5,000
HVA/'Love Hastings, Love Yourself'	'Love Hastings, Love Yourself' (LHY)	£2,990
Hollington Community Centre	Hollington Community History Project	£2,370
The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity Hastings	Safehaven Women	£4,900
In2play CIC	Birds Bats Beetles Binbags	£4,430
Sussex Community Development Association	Hastings Old Town Before and After	£1,884
Sussex Prisoners' Families	Sussex Prisoners' Families Hastings and St.Leonards Outreach Service	£4,800
The Time to Shine Project	The Time to Shine Project in the Community	£4,472
Total Events Grants		£49,538
111 Collectiff	St Leonards Festival Reinvented: Beach Zone	£1,875
1066 Cycle Club	1066 Cycling Festival 2017	£1,357
Disability Inclusion CIC	Disability awareness workshops	£2,000
Energise Sussex Coast	1066 Energy Community Launch Event	£2,000
Hastings Storytelling Festival	FT-E509 Kathakali UK tour performance and Children's carnival at the Stade	£2,000

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

Hastings Voluntary Action	'Food for Thought'	£1,863
Idolrich Theatre Rotto	Little Ida's Flowers	£2,000
ÓcaBrazÓka	Brazilian Festival	£2,000
Seaview	Big Sleep 2017	£2,000
St Michael's Hospice	St Michael's Hospice's 30th Anniversary Winter Wonderland	£1,000
Sussex Concepts CIC	Hastings Pirates Day 2017	£2,000
Total Small Grant		£20,095
TOTAL GRANTS		£69,633

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. From January 2018 this role transferred to Victoria Conheady, 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

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Trustee's Report

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).

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 seventh 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 adoption of the Trust's new rolling five-year Business Plan;
- The seventh round of small grant awards (up to £5,000) to local charitable organisations;
- The fifth round of grants (up to £2,000) for events on Foreshore Trust land;
- Agreement of the budget for 2018/19 and financial report.

Built Assets:

i)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, the Storytelling Festival and the Christmas on the Coast event amongst others.

ii)The Stade Hall continued to be a popular venue for community activities, hosting all sorts of events including charity workshops, exhibitions and supporting large town-wide events such as Pirate Day, the Old Town Carnival and Hastings Bonfire. The hall has been booked 67 times during 2017/18 resulting in a income of £6,700.

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

iii) **Classroom on the Coast**, through development with FLAG (Fisheries local action group) 2 and regeneration officers, worked with Billingsgate Seafood Training School 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.

iv) **The White Rock Baths** is the Trust's most significant building and was derelict for many years. The turnaround of this building began with the refurbishment of a small portion of the above-ground structure and it's fit-out for use by the Hastings Pier Charity as a centre for their educational and promotional activities. Following this, a number of successful funding applications by the Council on behalf of the Trust enabled major repairs and refurbishment of the former main and smaller pool halls and ancillary areas for occupation by The Source under a ten year lease. The Source opened its new BMX and skateboard venue in White Rock Baths in early 2016. The venue has had positive national and international press attention. The re-use of this historic building has already generated a new vibrancy and increased footfall and is attracting a new, younger range of visitors to this formerly underused part of the seafront.

Building on the success of the first year of operation a further collaborative bid was made to the Coastal Communities Fund which builds on this asset. 2017/18 and 18/19 CCF4 funded activities will be the development and delivery of a BMX Coaching programme and the programming of further events such as 2016s successful "Battle of Hastings".

v) **Beach Chalets:** The Trust approved plans for the establishment of 12 chalets on the beach in the White Rock area east of Hastings Pier. These have been let on a rolling basis from 2017/18 onwards. Installation was completed in October 2017.

Beach, Promenade and surrounding environs:

vi) A major project to improve the town's defences against beach erosion and marine flooding commenced with the repair of one rock groyne and the building of a new rock groyne on the beach between White Rock Baths and Hastings Pier. The second phase of this project, which involves repairs to the Harbour Arm, commenced in 2017/18 and completed in 2018/19.

vii) The beach at the Marina achieved Blue Flag status and Pelham achieved Seaside award status. Significantly, following a high profile multi-agency Council-led project involving Southern Water Services and the Environment Agency, the quality of the bathing water at Pelham beach was significantly improved. It had been predicted that the Pelham beach bathing water would fail the new EU standards starting in 2015. This very successful project resulted in the following: Pelham Beach achieved 'Good', and St Leonards Beach achieved 'Excellent'. Bathing water results also achieved for 2018 qualification, Blue Flag and Beach Award status was confirmed in May 2018.

viii) In the latter part of 2016/17, the Trust entered into a one-season agreement with the Royal National Lifeboat Institution (RNLI) to operate a lifeguard service from May until September. The agreement included an audit of signage and a sharing of the costs of necessary replacement. This service was reviewed at the end of the season in time for decisions on future lifeguard services. The RNLI is providing a comparable service at a lower cost for 2017 and 2018. The RNLI currently also provides a 24/7 on-call lifeboat service to cover search and rescue requirements within 100 nautical miles from the coast of the UK and the Republic of Ireland, and provides beach lifeguard services on many south coast beaches, including for the first time this year Camber Sands and Bexhill. A new 3 year contract is now in place.

ix) The project to upgrade the Council's CCTV network and control room was completed in spring 2017. The extensive CCTV network we now have was originally developed to improve security and deter car crime in the Council's off-street car parks in the 1990s. Whilst that original work was extremely successful, by 2015 the system was obsolete and almost impossible to maintain. This was replaced by a modern system that provides much better quality images, and is significantly more resilient. It is monitored from a brand new CCTV control room in the lower ground floor of Muriel Matters House.

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

External Funding:

x)FLAG 2 (European Maritime Fisheries Fund, Community Led Local Development) – This programme launched in the final quarter of 2016/17, though activity did not fully commence until the first quarter of 2017/18. Total FLAG 2 grant - £800,000 (not including leveraged or match funding).

xi)Implementation of a further coastal community fund (CCF4) programme of capital and revenue activity, including supporting activity within the White Rock Baths by the trust's tenant, The Source; further connectivity developed through free wifi in the town linking with the seafront wifi; marketing campaigns celebrating the seafront at White Rock as a destination in its own right; and, for delivery in 2018/19, a reinstallation of a water feature above white rock baths. The total CCF grant funding amounts to £812,270 (not including leveraged or match funding)

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.

However, in line with the Trusts business plan, in the last quarter of 2017/18 the Trust sought proposals from charitable or not-for-profit organisations interested in taking on the operations of the Stade Hall and Classroom on the Coast. Three expressions of interest were received. After evaluation by officers, a recommendation to the Trust has been made, with an expectation that the classroom and Stade Hall will be leased to Sussex Coast College Hastings, a non-profit organisation during 2018/19 for a period of up to 5 years.

Leases and agreements

A ground lease of land at Pelham Beach East and West was granted to the Royal National Lifeboat Institution for siting shore facilities in connection with the lifeguard services contract.

The administrators of Hastings Pier Charity surrendered the lease of part of the Upper Promenade Building at White Rock Baths on 29 June 2018. The Source (Hastings) Ltd has a right of first refusal and we are in discussions with them regarding a lease.

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

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.

The 2011 Scheme included a new object to distribute surpluses as grants for charitable purposes within the Borough of Hastings. There have been seven 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.

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 .

During the year the Trust closed its bank account with Co-op and opened a similar account with Lloyds.

Investments – The Trust retains significant cash balances. At 31 March 2018 these were invested as follows:-

	2017/18	2016/17
	£	£
CCLA Investment Management	1,397,271	1,393,958
Co-op Bank / Lloyds Bank (the Trust's Bank Account)	605	641

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Trustee's Report

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	3	3
Income from Charitable activities	1,329	1,401	1,257
Total Incoming Resources	1,335	1,404	1,260
Resources Expended			
Loan repayments	47	33	33
Charitable Activities	738	788	783
Maintenance and Cyclical repairs	81	69	77
Governance Costs HBC	59	59	58
Governance Costs (Other)	49	49	56
Total Resources Expended	974	998	1,007
Surplus before Grants and Reserve Funded items	361	406	253
Grants	70	70	70
Projects and Other Income/ Expenditure Net	359	183	70
Surplus (Deficit)	(68)	153	113

The surplus before grants and reserve funded items and capital charges was £253,000. Income levels have reduced this year, due to a reduction in car parking income.

The overall outturn position was a surplus of £124,316 after capitalisation of £42,910, and capital charges of £87,782 (2016/17 surplus of £266,323). The surplus has been added to reserves.

Future Expenditure Plans 2018/19 and Beyond

In line with the approved Business plan, expenditure on major Projects and Other Expenditure will continue in 2018/19 and will result in an overall deficit for the year, budgeted at £16,000 – this being funded from Reserves.

Future business plan projects commencing in 2018/19 include the delivery of Coastal Community Round 4 works (within the White Rock Baths and the White Rock fountain), development and delivery of FLAG 2 projects, including bidding for new Stade barriers and feasibility of carpark resurfacing, identifying a model for future cycle and deck chair hire, new seafront information signs that incorporate the new byelaws, play hut funding, and a public art project.

The commencement of the Stade Hall and classroom lease with Sussex Coast College, should commence autumn 2018.

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

The 2018/19 budget identified spend on projects and other expenditure amounting to some £396,000. £90,000 of this spend is on cyclical repairs and maintenance and £306,000 is programmed spend, financed from Reserves. The main areas of spend are as follows:-

- £175,000 – White Rock Fountain
- £40,000 – New signage to RNLI standard
- £25,000 – Pelham Hut Play Facility
- £25,000 – Public Art Project
- £25,000 – Resurfacing Works
- £20,000 – Marine Litter Project
- £20,000 – Access Audit Priority Actions
- £15,800 – Fishing fleets Ice maker
- £15,000 – Landscaping
- £5,000 – Beachfront Children's play area
- £5,000 – Winch Road upgrade

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	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2018/23
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Total
	£000's						
Projects and other expenditure							
<i>Cyclical Repairs and Redecorations</i>							
Pier Area	0	0	0	0	0	0	0
White Rock Baths	19	25	10	10	10	10	65
Stade Barriers	1	2	2	5	2	2	13
Cycle Route	0	5	0	0	0	0	5
Public Conveniences	7	6	6	6	6	6	30
Car Parks & Other	16	40	47	47	47	47	228
Total of Cyclical repairs	43	78	65	68	65	65	341

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Trustee's Report

<i>Maintenance Projects</i>							
Beach	9	12	12	12	12	12	60
Total Maintenance Projects	9	12	12	12	12	12	60
<i>Main Programme</i>							
White Rock promenade Kiosk	2	0	0	0	0	0	0
New Signage	0	40	0	0	0	0	40
White Rock Chalets	22	0	0	0	0	0	0
Beachfront	0	76	25	25	0	0	126
Stade Open Space Landscaping	0	0	0	0	0	0	0
Access Audit	0	20	0	0	0	0	20
Marine Litter Project	0	20	0	0	0	0	20
Resurfacing Robertson street to Pier	25	25	25	25	25	25	125
Parking Machine Upgrade	21	0	0	0	0	0	0
Landscaping adjacent to the boating lake	0	15	6	6	0	0	27
White Rock Fountain	0	175	0	0	0	0	175
Contingency	0	25	25	25	25	25	125
Total Main Programme	70	396	81	81	50	50	658
Total Projects and Other Expenditure	122	486	158	161	127	127	1059

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Trustee's Report

* The 2018/19 estimate has been adjusted for items that were originally planned for 2017/18 but are now in the 2018/19 Business Plan.

Cost of Professional Advice

Professional advisor fees (including Protector's fees) - £33,250 (2016/17 £23,780).

Auditors/Accountants - £ 3,500 (2016/17 £3,500).

Trustee Expenses and Emoluments

There were no Trustee expenses charged to the Trust in 2017/18 (2016/17 nil).

A special responsibility allowance of £6,380 (2016/17 £6,310) was paid to the Chair of the Charity Committee and this is shown as Governance costs in the accounts.

Reserves Policy

The policy is reviewed periodically to take account of changes in the future plans of the Trust and perceived risks. The last review was 26 June 2017 and there have been no significant changes since this date which require a change to the policy. 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 £980,000. 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).

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

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.

The total funds of the Trust, of which the above form a part, amount to £2,630,833 (2016/17 £2,506,516). The financing of the main programme is dependent upon achieving annual surpluses on the trusts 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.

The current business plan will be reviewed and updated to present at the end of the 2018/19 financial year.

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, the bankers have been changed to the year end from the Co-operative Bank to Lloyds), which is the same as the Council with separate bank accounts. The Council's comprehensive Treasury Management and Investment Policy requirements equally apply when dealing with Trust monies.

Concluding Remarks

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.

Hastings and St Leonards Foreshore Charitable Trust

Trustee's Report

Statement of Responsibilities

The trustee is responsible for preparing the trustee's 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 trustee 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 trustee is 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 trustee is 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 trustee is 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

The trustee has taken steps that it ought to have taken as a member in order to make itself aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustee confirms that there is no relevant information that is known of and of which they know the auditor is unaware.

The annual report was approved by the trustee of the charity on 24 September 2018 and signed on its behalf by:

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

Hastings and St Leonards Foreshore Charitable Trust

Protector's Report

This is my eighth Annual Report as Protector of The Hastings and St Leonards Foreshore Charitable Trust (“Foreshore Trust” for short). It covers my activities from September 2017 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 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

24th September 2018

Hastings and St Leonards Foreshore Charitable Trust

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

Opinion

We have audited the financial statements of Hastings and St Leonards Foreshore Charitable Trust (the 'charity') for the year ended 31 March 2018, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity trustee, 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 trustee those matters we are required to state to trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Hastings and St Leonards Foreshore Charitable Trust

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the Statement of Trustee Responsibilities [set out on page 15], the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

Hastings and St Leonards Foreshore Charitable Trust

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....
(Senior Statutory Auditor)
For and on behalf of Manningtons, Statutory Auditor

7 Wellington Square
Hastings
East Sussex
TN34 1PD

Date:.....

Manningtons Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Hastings and St Leonards Foreshore Charitable Trust

Statement of Financial Activities for the Year Ended 31 March 2018

	Note	Unrestricted funds £	Total 2018 £
Income and Endowments from:			
Charitable activities	2	1,268,600	1,268,600
Investment income	3	3,314	3,314
Total Income		<u>1,271,914</u>	<u>1,271,914</u>
Expenditure on:			
Charitable activities	5	(1,046,052)	(1,046,052)
Governance costs	6	(101,546)	(101,546)
Total Expenditure		<u>(1,147,598)</u>	<u>(1,147,598)</u>
Net movement in funds		124,316	124,316
Reconciliation of funds			
Total funds brought forward		<u>2,506,517</u>	<u>2,506,517</u>
Total funds carried forward	15	<u>2,630,833</u>	<u>2,630,833</u>
	Note	Unrestricted funds £	Total 2017 £
Income and Endowments from:			
Charitable activities	2	1,326,630	1,326,630
Investment income	3	5,379	5,379
Other income		<u>127,000</u>	<u>127,000</u>
Total Income		<u>1,459,009</u>	<u>1,459,009</u>
Expenditure on:			
Charitable activities	5	(1,098,150)	(1,098,150)
Governance costs	6	(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>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2017 is shown in note 15.

Hastings and St Leonards Foreshore Charitable Trust

(Registration number: 1105649)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	1,400,869	1,445,741
Current assets			
Debtors	12	81,916	-
Cash at bank and in hand		<u>1,397,876</u>	<u>1,394,599</u>
		1,479,792	1,394,599
Creditors: Amounts falling due within one year	13	<u>(34,680)</u>	<u>(89,923)</u>
Net current assets		<u>1,445,112</u>	<u>1,304,676</u>
Total assets less current liabilities		2,845,981	2,750,417
Creditors: Amounts falling due after more than one year	14	<u>(215,148)</u>	<u>(243,901)</u>
Net assets		<u>2,630,833</u>	<u>2,506,516</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>2,630,833</u>	<u>2,506,516</u>
Total funds	15	<u>2,630,833</u>	<u>2,506,516</u>

The financial statements on pages 20 to 30 were approved by the trustee, and authorised for issue on 24 September 2018 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash income		124,316	266,323
Adjustments to cash flows from non-cash items			
Depreciation		87,782	79,143
Investment income	3	(3,314)	(5,379)
(Profit)/loss on disposal of tangible fixed assets		-	(127,000)
		<u>208,784</u>	<u>213,087</u>
Working capital adjustments			
Increase in debtors	12	(81,915)	-
Increase/(decrease) in creditors	13	<u>2,051</u>	<u>(233)</u>
Net cash flows from operating activities		<u>128,920</u>	<u>212,854</u>
Cash flows from investing activities			
Interest receivable and similar income	3	3,314	5,379
Purchase of tangible fixed assets	11	(42,910)	(133,662)
Sale of tangible fixed assets		-	127,000
Net cash flows from investing activities		(39,596)	(1,283)
Cash flows from financing activities			
Repayment of loans and borrowings	13	<u>(86,047)</u>	<u>(206,228)</u>
Net increase in cash and cash equivalents		3,277	5,343
Cash and cash equivalents at 1 April		<u>1,394,599</u>	<u>1,389,256</u>
Cash and cash equivalents at 31 March		<u>1,397,876</u>	<u>1,394,599</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 2018

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 trustee consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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 £1,400,869 (2017 -£1,445,741).

Income and endowments

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.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

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.

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.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

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.

Debtors

Are amounts due from Hastings Borough Council for settlement of expenditure incurred by the Trust that is to be repaid and is recognised initially at the transaction price. A provision for the impairment of it will be established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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 Statement of Financial Activities 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 charity 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.

Designated funds are unrestricted funds 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.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Income from charitable activities

	Unrestricted funds		Total 2018	Total 2017
	General	£		
	£	£		
Car Parking	977,470		977,470	1,062,680
Foreshore management	289,980		289,980	262,800
Street cleansing	1,150		1,150	1,150
	1,268,600		1,268,600	1,326,630

3 Investment income

	Unrestricted funds		Total 2018	Total 2017
	General	£		
	£	£		
Interest receivable and similar income;				
Interest receivable on bank deposits	3,314		3,314	5,379

4 Other income

		Total 2018		Total 2017	
		£	£	£	£
		-	-	127,000	-
Gains on sale of tangible fixed assets for charity's own use					

5 Expenditure on charitable activities

	Activity undertaken directly		Total 2018	Total 2017
	£	£		
	£	£		
Car parking	271,453		271,453	268,249
Foreshore management	432,936		432,936	402,016
Street cleansing	83,630		83,630	86,640
Public conveniences	153,612		153,612	159,199
White Rock Baths and other	34,791		34,791	111,985
Small and event grants	69,630		69,630	70,060
	1,046,052		1,046,052	1,098,149

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds		Total 2018	Total 2017
	General	£		
Wages and salaries	6,380		6,380	6,310
Audit of the financial statements	2,000		2,000	2,000
Accountancy services	1,500		1,500	1,500
Legal fees	33,250		33,250	23,780
HBC management charges	58,230		58,230	60,310
Other governance costs	186		186	636
	101,546		101,546	94,536

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2018	2017
	£	£
Audit fees	2,000	2,000
Profit on disposal of tangible fixed assets	-	(127,000)
Depreciation of fixed assets	87,782	79,143

The profit on disposal arising in 2017 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.

8 Trustee 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 £6,380 (2017 - £6,310), included in Governance costs.

9 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 employee benefits of the key management personnel of the charity were £15,790 (2017 - £16,460).

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

10 Taxation

The charity is a registered charity and is therefore exempt from Corporation Tax.

11 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Total £
Cost			
At 1 April 2017	1,144,091	530,933	1,675,024
Additions	-	42,910	42,910
At 31 March 2018	<u>1,144,091</u>	<u>573,843</u>	<u>1,717,934</u>
Depreciation			
At 1 April 2017	62,557	166,726	229,283
Charge for the year	40,514	47,268	87,782
At 31 March 2018	<u>103,071</u>	<u>213,994</u>	<u>317,065</u>
Net book value			
At 31 March 2018	<u>1,041,020</u>	<u>359,849</u>	<u>1,400,869</u>
At 31 March 2017	<u>1,081,534</u>	<u>364,207</u>	<u>1,445,741</u>

12 Debtors

	2018 £
Other amounts owed by Hastings Borough Council	<u>81,916</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Other amounts owed to Hastings Borough Council	-	57,765
Loans from Hastings Borough Council	28,753	28,282
Accruals	5,927	3,876
	<u>34,680</u>	<u>89,923</u>

14 Creditors: amounts falling due after one year

	2018 £	2017 £
Loans from Hastings Borough Council	<u>215,148</u>	<u>243,901</u>

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

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

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 2017	Incoming resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
Unrestricted funds					
<i>General</i>					
Unappropriated reserve	-	1,271,914	(1,147,597)	(124,317)	-
<i>Designated</i>					
Contingency reserve	900,000	-	-	-	900,000
Main programme reserve	160,775	-	-	169,189	329,964
Fixed asset fund	<u>1,445,741</u>	<u>-</u>	<u>-</u>	<u>(44,872)</u>	<u>1,400,869</u>
	<u>2,506,516</u>	<u>-</u>	<u>-</u>	<u>124,317</u>	<u>2,630,833</u>
Total funds	<u>2,506,516</u>	<u>1,271,914</u>	<u>(1,147,597)</u>	<u>-</u>	<u>2,630,833</u>
	Balance at 1 April 2016	Incoming resources	Resources expended	Transfers	Balance at 31 March 2017
	£	£	£	£	£
Unrestricted funds					
<i>General</i>					
Unappropriated reserve	-	1,332,009	(1,065,685)	(266,324)	-
<i>Designated</i>					
Contingency reserve	690,000	-	-	210,000	900,000
Main programme reserve	158,971	-	-	1,804	160,775
Fixed asset fund	<u>1,391,221</u>	<u>-</u>	<u>-</u>	<u>54,520</u>	<u>1,445,741</u>
	<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>

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

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.

16 Related party transactions

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

Hastings Borough Council (Trustee)

The Foreshore Trust took a loan in 2016 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 loan granted by Hastings Borough Council for £300,000 was 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 loan is repayable in biannual payments. The £300,000 annuity loan being at 1.66%, and the first payment being made on the 21st 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. At the balance sheet date the amount due to Hastings Borough Council was £161,986 (2017 - £329,948).

Agenda Item 8



Report to: Charity Committee

Date of Meeting: 24 September 2018

Report Title: Finance Report

Report By: Peter Grace, Assistant Director of Financial Services and Revenues (Chief Finance Officer)

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 2018/19.
2. The Risk Register be agreed (Appendix 4)
3. The Reserves Policy be agreed (Appendix 6)

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 above budget expectations is anticipated for 2018/19 in respect of operating income and expenses. Once grant and project costs are taken into account a reduced deficit of £58,000 is anticipated against a budgeted deficit of £99,000.

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.

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 details of the budget for 2018/19 as agreed at the March meeting of the committee. The budget annual operating surplus for 2018/19 amounting to £380,000 with a forecast year end position of £396,000,

Financial Position 2018/19

3. The budget agreed in March 2018 identified budgeted income at £1,400,000 and expenditure at £1,020,000. The budgeted surplus for the year being £380,000 after direct governance costs, but before distribution of grants, capital charges and before use of Reserves.
4. The final accounts for 2017/18 have been produced and are up for approval at tonight's meeting. As yet there are no notable variations for income and expenditure in 2018/19 other than the variations agreed at the Charity Committee meetings on the 19 March 2018 and 25 June 2018.
5. At the meeting on the 19th March a number of changes to the budget and future year budgets were agreed. Namely,
 - (i) Grants - Event grants increased to £30,000 p.a. (from £20,000 p.a.)
 - General grants increased to £60,000 p.a. (from £50,000 p.a.)

At the meeting the events grants for 2018/19 were agreed at £23,362 with the remaining balance of £6,638 being made available for 2019/20 i.e. a total of £36,638 in that year. This adjustment has been made in the attached papers.

(ii) Options for Art on Foreshore Trust Land

It was agreed that £25,000 would be made available for each of the next three years of which £5,000 p.a. would be available for community consultation and engagement.

The business plan (attached) has been amended to reflect the £25,000 p.a. rather than the £20,000 previously shown as well as removal of the £20,000 figure currently in place for 2021/22. The overall impact is to increase the deficit for the year by some £5,000.

(iii) The March meeting also agreed the ice maker contribution and the Play Hut facility. Both of these items of expenditure were already included in the business plan and hence there is no impact on the surplus or deficit for the year.

The level of programmed spend continues to reduce the cash balances held by the Trust for this financial year.

6. At the meeting on the 25th June it was agreed for the Foreshore Trust to provide an additional £90,000 of funding for the White Rock fountain project.

The planned expenditure in 2017/18 of £85,000 on the White Rock Fountain did not occur so the budget has been carried forward to 2018/19. When added to the additional funding of £90,000 this takes the budget for the year to £175,000. The full cost of the project is estimated at £270,000 of which the Trust has approved £175,000 and Coastal Communities Fund 4 has approved £95,000.

Indicative Forward Plan

7. The indicative Forward plan as agreed in March 2018 has been updated as required and provided for information (Appendix 3). This identified projected cash balances for future years and hence affordability of current initiatives and commitments. Based upon projections the current business plan remains affordable and has been adjusted to take account of the items listed above. The overall deficit for the year is forecast at £58,000.

Risk Register

8. The Risk Register is included in Appendix 4. This seeks to identify the potential risks to the Foreshore Trust that could have financial implications, and which necessitate the maintenance of reserves.

Reserves

9. The revised business plan updated to take account of known changes and the 2017/18 outturn identifies the estimated cash balances for future years as follows:-

£1.46m as at 31st March 2018,
£1.39m as at 31st March 2019,
£1.60m as at 31st March 2020,
£1.81m as at 31st March 2021,
£2.03m as at 31st March 2022,
£2.23m as at 31st March 2022.

Reserves Policy

10. The reserves policy identifies £900,000 as the suitable level of Reserves to maintain – given the potential risks faced by the Trust.
11. The Reserves Policy is included in Appendix 6 and this will continue to be considered by the Trust on an annual basis in conjunction with the review of risk (more often if circumstances require).
12. Appendix 5 attached provides background information on determining a Reserves policy. This is based on extracts of the Charity Commission guidance on this issue.

Key points about charity reserves:-

- Charity law requires any income received by a charity to be spent within a reasonable period of receipt.
- Trustees should be able to justify the holding of income as reserves.

- Reserves are that part of a charity's unrestricted income funds that is freely available to spend.
- Where the trustees have a reserves policy, this policy must be set out in the trustees' annual report.
- If the trustees have not set a reserves policy, this should be stated in the trustees' annual report.
- A good reserves policy takes into account the charity's financial circumstances and other relevant factors.
- It is good practice to monitor the level of reserves held throughout the year.
- It is good practice to keep the reserves policy under review to ensure it meets a charity's changing needs and circumstances.

13. In summary the Reserves policy (Appendix 6) effectively recommends that Cash Reserves of £900,000 be retained, plus sufficient funds to meet the Repairs and Renewals programme - which remains subject to regular amendment. It is also recommended that the Reserves policy continue to be regularly reviewed.

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	Yes
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
- Appendix 4 - Risk Register - Foreshore Trust
- Appendix 5 - Reserves Policy (Charity Commission guidance)
- Appendix 6 - Reserves Policy

Officer to Contact

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Actual expenditure to 31st August 2018

SUMMARY - MONITORING REPORT	Outturn 2017-18	Budget 2018-19	YTD Actual 2018-19	Estimate to end of year	Forecast Outturn 2018-19	Variance to Budget	Estimated Budget 2019-20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Incoming Resources							
Investment Income	(3)	(5)	(1)	(4)	(5)	0	(8)
Incoming resources from Charitable activities	(1,023)	(1,170)	(688)	(482)	(1,170)	0	(1,170)
Rental income	(234)	(225)	(111)	(123)	(234)	(9)	(234)
Total incoming resources	(1,260)	(1,400)	(800)	(609)	(1,409)	(9)	(1,412)
Resources Expended							
Loan repayments	33	33	0	33	33	0	33
Charitable Activities* (excluding Capital charges)	783	780	165	617	782	2	798
Maintenance projects and cyclical repairs	77	90	2	88	90	0	77
Governance costs	114	117	17	91	108	(9)	110
Total resources expended	1,007	1,020	184	829	1,013	(7)	1,018
Total Operating (Surplus)/Deficit	(253)	(380)	(616)	220	(396)	(16)	(394)
Grants	50	60	0	60	60	0	60
Events	20	23	17	6	23	0	37
Projects**	70	396	0	371	371	(25)	81
(Surplus)/Deficit	(113)	99	(599)	657	58	(41)	(216)
Transfer to/(from) HBC account							
Total Funds (cash) brought forward	1,305	1,445			1,445		1,387
Total funds carried forward	1,445	1,346			1,387		1,603

*Mainly parking income

** See main Business Plan

Business Plan

Appendix 2

Foreshore Trust Spending Plan				2017-2018	2017-2018	2017-2018	2018-2019	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
Cost centre	PROPERTY	DESCRIPTION OF WORK	BUDGET	REVISED ESTIMATE	OUTTURN	REVISED ESTIMATE	Current spend to end of August	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE 2018- 2023
			£	£	£	£	£	£	£	£	£	£	£
Maintenance projects													
20156B1100 / 5290B020	White Rock Skatepark	External redecoration/ Building maintenance	10,000	10,000	18,981	25,000	558	10,000	10,000	10,000	10,000	10,000	65,000
20156B1100 / 5290B020	White Rock Skatepark	Alleviate Water ingress	10,000	10,000	0	0	0	0	0	0	0	0	0
20156B1100 / 5290B020	Stade Barriers	Annual maintenance	2,000	2,000	1,254	2,000	147	2,000	5,000	2,000	2,000	2,000	13,000
20156B1100 / 5290B020	Cycle route	Contribution to maintenance	0	0	0	5,000	0	0	0	0	0	0	5,000
20156B1100 / 5290B020	Public Conveniences	Maintenance	6,000	6,000	6,972	6,000	0	6,000	6,000	6,000	6,000	6,000	30,000
20156B1100 / 5290B020	Car Parks Rock a Nore	Maintenance	6,000	6,000	8,003	6,000	60	6,000	6,000	6,000	6,000	6,000	30,000
20156B1100 / 5290B020	Car Parks - Pelham	Maintenance	6,000	6,000	1,707	6,000	60	6,000	6,000	6,000	6,000	6,000	30,000
20156B1100 / 5290B020	Chalets - White Rock & Marina	Maintenance	2,000	2,000	3,425	2,000	0	2,000	2,000	2,000	2,000	2,000	10,000
20156B1100 / 5290B020	Play Areas and Exercise Equipment	Maintenance of equipment	5,000	5,000	0	5,000	0	15,000	15,000	15,000	15,000	15,000	65,000
20156B1100 / 5290B020	Water Play	Maintenance & operation	12,000	0	0	12,000	0	12,000	12,000	12,000	12,000	12,000	60,000
20156B1100 / 5290B020	Winch Road	Maintenance & lighting	2,000	2,000	0	2,000	0	2,000	2,000	2,000	2,000	2,000	10,000
20156B1100 / 5290B020	White Rock Promenade Kiosk	Maintenance	0	0	0	3,000	0	0	0	0	0	0	3,000
20156B1100 / 5290B020	Signage repairs	Maintenance	0	0	0	1,000	0	1,000	1,000	1,000	1,000	1,000	5,000
20156B1100 / 5290B020	Stade and Stade Kitchen	Maintenance	3,000	3,000	2,516	3,000	128	3,000	3,000	3,000	3,000	3,000	15,000
20156B1100 / 5290B020	Cycle Hire	Replacement bikes	4,500	4,500	0	0	0	0	0	0	0	0	0
Total of Cyclical Repairs and Redecorations			68,500	56,500	42,858	78,000	954	65,000	68,000	65,000	65,000	341,000	
20156B1100 / 5290B020	Beach - Other	Other repairs and renewals beachfront area	12,000	12,000	8,692	12,000	732	12,000	12,000	12,000	12,000	12,000	60,000
Total Maintenance Projects			12,000	12,000	8,692	12,000	732	12,000	12,000	12,000	12,000	12,000	60,000
Projects (main programme)			£	£	£	£	£	£	£	£	£	£	£
20157B1102 / 5291B022	White Rock Promenade Kiosk	Kiosk to be operated by The Source	0	0	2,110	0	0	0	0	0	0	0	0
20158B1100 / 5292B022	White Rock Chalets	Purchase 12 new chalets	0	22,370	21,810	0	0	0	0	0	0	0	0
20159B1100 / 5293B022	Beachfront	New signage to RNLI standard potential 50% contribution from RNLI	0	0	0	40,000	0	0	0	0	0	0	40,000
20154B1102 / 5287B020	Winch road	Winch road upgrade**	0	0	0	5,000	0	0	0	0	0	0	5,000
20159B1102 / 5293B022	Beachfront	Children's play area	0	0	0	5,000	0	0	0	0	0	0	5,000
20159B1102 / 5293B022	Beachfront	Pelham Hut Play Facility - Play and Sports Hub	0	0	0	25,000	0	0	0	0	0	0	25,000
20159B1102 / 5293B022	Beachfront	New Public Art Project	0	0	0	25,000	0	25,000	25,000	0	0	0	75,000
20159B1102 / 5293B022	Beachfront	Fishing fleets Ice maker	0	0	0	15,800	15,843	0	0	0	0	0	15,800
20159B1102 / 5293B022	Stade Open Space Landscaping		4,000	5,000	0	0	0	0	0	0	0	0	0
20159B1102 / 5293B022	Marine litter project		20,000	0	0	20,000	0	0	0	0	0	0	20,000
20159B1102 / 5293B022	Seafront Splash Pad and Kiosk		225,000	0	0	0	0	0	0	0	0	0	0
20159B1102 / 5293B022	Access Audit	Implement prioritised actions	10,000	0	0	20,000	0	0	0	0	0	0	20,000
20162B1102 / 5298B022	Resurfacing Robertson Street to Pier/White Rock Promenade improvements	Work with potential Coastal Communities Fund match - additional surveys to complete	25,000	25,000	25,000	25,000	0	25,000	25,000	25,000	25,000	25,000	125,000
20159B1102 / 5293B022	Landscaping - adj. to boating lake		0	0	0	15,000	0	6,000	6,000	0	0	0	27,000
20160B1100 / 5294B020	Parking machine Upgrades	Upgrade of new machines to cater for new coins and new signage	0	21,100	21,100	0	0	0	0	0	0	0	0
20162B1102 / 5298B022	White Rock Fountain	Work to enhance Coastal Communities funded 4 landscaping with fountain. Total costs £270,000 of which the Trust has approved £175,000, CCF £95,000.	50,000	85,000	0	175,000	0	0	0	0	0	0	175,000
20161B1102 / 5296B022	Contingency		25,000	25,000	0	25,000	0	25,000	25,000	25,000	25,000	25,000	125,000
Total Projects			359,000	183,470	70,020	395,800	15,843	81,000	81,000	50,000	50,000	657,800	
TOTAL PROGRAMME			439,500	251,970	121,570	485,800	17,529	158,000	161,000	127,000	127,000	1,058,800	

**Fisheries Local Action Group (FLAG) projects

Appendix 3

Hastings and St Leonards Foreshore Charitable Trust

Indicative Forward Plan	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Outturn	Forecast	Budget	Budget	Budget	Budget
	Unaudited	Outturn	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Incoming Resources						
Investment Income	(3)	(5)	(8)	(10)	(11)	(12)
Incoming resources	(1,257)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)
Total incoming resources	(1,260)	(1,409)	(1,412)	(1,414)	(1,415)	(1,416)
Resources Expended						
Loan repayments	33	33	33	33	33	33
Charitable activities (exc capital charges)	783	782	798	814	830	847
Maintenance projects and cyclical repairs	77	90	77	80	77	77
Governance costs	114	108	110	112	114	116
Total Resources Expended	1,007	1,013	1,018	1,039	1,054	1,073
Total Operating Surplus	(253)	(396)	(394)	(375)	(361)	(343)
Grants	50	60	60	60	60	60
Events	20	23	37	30	30	30
Projects (Main programme)	70	371	81	81	50	50
(Surplus)/Deficit	(113)	58	(216)	(204)	(221)	(203)
Usable current assets	1,305	1,445	1,387	1,603	1,807	2,028
Usable current assets carried forward	1,445	1,387	1,603	1,807	2,028	2,231
Minimum reserves	900	900	900	900	900	900
Main Programme reserve	545	487	703	907	1,128	1,331

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Risk Register - Foreshore Trust (FST)

	Service	Potential Risk	Risk Rating (Likelihood / Impact)	Potential Impact	Responsibility for controls	Steps to mitigate risk, time frame for implementation and latest position
1	FT	Corporate Governance non – compliance with articles of association or Charity Commission rules scheme dated 13.01.2011 Charity Law	Medium / High	<ul style="list-style-type: none"> - Failure to deliver on priorities (reputational and financial) - Financial – legal challenge and costs of that - Suspension of Charity 	- Chief Legal Officer	<ul style="list-style-type: none"> - Protector attendance at Charity Committee meetings and provision of relevant paper work. - Providing legal advice as appropriate - Training for Charity Committee members
2	FT	Charity Committee administration Statutory publication deadlines missed for agendas and the Forward Plan and meetings have to be cancelled delaying key decisions. Officers/Services miss deadlines for reports.	Low / Medium	<ul style="list-style-type: none"> - Legal - Leaves HBC open to challenge, for example if Planning applications are delayed or budget deadlines missed. - Financial – costs of legal challenges. - Reputational. 	- Policy and Partnerships Manager	<ul style="list-style-type: none"> - Professionally trained staff - Officers frequently chased and reminded about report deadlines. - Professional advice <p>- Forward Plan on ModGov</p>
3	FT	Income Loss of Visitors to Hastings e.g. Major Pollution incident, water quality, major disaster elsewhere in Hastings.	Medium / High	<ul style="list-style-type: none"> - Budget deficit - Loss of 6 months income would equate to around £700,000 	Assistant Director – Financial Services and Revenues - Chief Accountant	<ul style="list-style-type: none"> - Ensure regular budget monitoring reports distributed followed up by meetings - Report variances to Charity Committee so any budget deficits can be addressed - Report variances at each meeting - Maintain adequate Reserves

	Service	Potential Risk	Risk Rating (Likelihood / Impact)	Potential Impact	Responsibility for controls	Steps to mitigate risk, time frame for implementation and latest position
4	FT	Maintain Buildings and Infrastructure - Need for a long term repair and renewal programme	Low / Medium	- Build-up of urgent and costly repairs (Planned maintenance reduces costs)	- Assistant Director Regeneration & Culture - Assistant Director – Financial Services and Revenues - Principal Building Surveyor - Estates Manager	- Production, maintenance and regular review of repair and Renewal programme – based on regular inspection of assets. - Ensure compliance of lease Obligations - Maintain and accumulate sufficient funds to finance agreed programme
5	FT	Unforeseen operational expenditure	Medium / High	- Reputation damage - Unable to meet commitments - Legal liabilities	- Assistant Director Regeneration & Culture	- Maintain adequate Reserves
6	FT	Treasury Management - Cash flow - Loss of money/fraud/theft - Reduction of investment Interest - Cost of borrowing	Low / Medium Low / High Low / Low Low / Low	- Trust balances of (cash) £1.42m	Assistant Director – Financial Services and Revenues	- Use of External Advisers – Capita Asset Services - Ensure staff are well trained - Insurance cover in place for potential fraud and dishonesty and theft - Insurance cover in place for loss of Money - Maintain adequate Reserves
7	FT	Cash collection contract - Firm collapses - Theft by company	Low / Low Low / Low	- Loss of money (up to £200k)	Assistant Director – Financial Services and Revenues	- Continue daily monitoring of cash banked - Regular communication with supplier if the contract is not complied with Insurance. (A new cash Collection company was employed from February 2018)
8	FT	Uninsured properties / risks	Low / Medium	- Properties not insured - Loss of money in the event of uninsured loss	Assistant Director – Financial Services and Revenues	- Ensure thorough renewals process each year - Make sure we liaise with estates/building services to ensure all properties are properly insured.

	Service	Potential Risk	Risk Rating (Likelihood / Impact)	Potential Impact	Responsibility for controls	Steps to mitigate risk, time frame for implementation and latest position
9	FT	Business Continuity	Low / High	- Loss of Income, - Payments not made, - Treasury Management – financial loss	- Assistant Director – Financial Services and Revenues - Chief Accountant	- Robust HBC financial systems - HBC business continuity planning
10	FT	Loss of key staff	Medium / High	- Stress - Errors / omissions - Financial loss - Incorrect advice	- Chief Accountant - Assistant Director - Financial Services and Revenues - Chief Legal Officer - Executive Manager People and Organisational Development	- Keep staff motivated - Ensure knowledge is shared - Terms and Conditions
11	FT	Changes in Financial legislation – Financial accounts compliance with Charity SORP	Low / Medium	- Failure to produce accounts - Qualified by auditor - Staff time - Staff costs - Reputation undermined	Assistant Director – Financial Services and Revenues Chief Accountant	- Work with Manningtons experienced firm - Regular liaison with HBC external auditors (BDO/ Grant Thornton in future) and also Foreshore Trust auditors (Manningtons) - Train staff
12	FT	Budget settings - No decisions - Late decisions - No processes	Low / High	- Poor Financial management	- Assistant Director – Financial Services and Revenues - Chief Accountant	- Ensure regular budget monitoring reports distributed. - Report variance reporting through performance review - Provide appropriate financial advice to members and officers - Consider whole life costing of decisions/ projects - Consider Revenue Implications of new projects

	Service	Potential Risk	Risk Rating (Likelihood / Impact)	Potential Impact	Responsibility for controls	Steps to mitigate risk, time frame for implementation and latest position
13	FT	External suppliers - Bankruptcy, Administration	Medium / Medium	- Depends which contract	- Chief Accountant	- Financial health checks on contracts
14	FT	Unsafe structures leading to Public Liability Claims e.g. injury on trust land	Medium / Medium	- Financial Loss - Reputation	- Assistant Director Regeneration & Culture	- Regular evidenced inspections carried out. - Proactive works maintenance programme carried out
15	FT	Changes in legislation – Charity Law	Low / Medium	- Reputation undermined - Financial penalty	- Chief Legal Officer	- Professionally trained legal staff
16	FT	Brexit	High / Medium	Economic downturn (permanent or temporary) - Loss of Parking Income - Inflationary pressures - Grant reductions – EU funding will reduce.	Assistant Director – Financial Services and Revenues Assistant Director Regeneration & Culture	Uncertainty in the run up to Brexit, and the final form, timing of transition period or any further votes will lead to a period of uncertainty. This in itself may provide an economic downturn which may be temporary or longer term depending upon the deal reached – and acceptance or otherwise. A reason to maintain reserves and consider carefully future repair and maintenance obligations before determining further significant use of reserves.
17	FT	Conflict of Interest with HBC	Medium / High	- Reputational - Suspicion	- Chief Legal Officer - Assistant Director – Financial Services and Revenues	- Professional advice - Protector

	Service	Potential Risk	Risk Rating (Likelihood / Impact)	Potential Impact	Responsibility for controls	Steps to mitigate risk, time frame for implementation and latest position
18	FT	Annual Return and/or Annual Accounts not completed on time	Low / Medium	- Reputational	<ul style="list-style-type: none"> - Chief Legal Officer - Assistant Director – Financial Services and Revenues 	<ul style="list-style-type: none"> - Prioritised - Diarised

Reserves Policy (Charity Commission Guidance)

1. Introduction

In determining the policy in Appendix 6 of this report due recognition has been taken of the Charity Commission guidance on this area (Charities and Reserves (CC19), June 2010 and updated in January 2016). This guidance is written for trustees of all types of charities, whether they are companies, trusts or associations. It explains what is meant by the term reserves, the trustees' responsibility to consider whether their charity needs reserves, and what to bear in mind when developing a policy on reserves.

2. Common Terminology

To understand the rules surrounding the establishment and use of reserves there is a need to understand the terminology used in accounting for charities.

Designated funds are part of the unrestricted funds which trustees have earmarked for a particular project or use, without restricting or committing the funds legally. The designation may be cancelled by the trustees if they later decide that the charity should not proceed or continue with the use or project for which the funds were designated.

Income and income funds means all incoming resources that become available to a charity and that the trustees are legally required to spend in furtherance of its charitable purposes within a reasonable time of receipt. Income funds may be unrestricted or restricted to a particular purpose of the charity.

Programme related or social investment is not 'investment' in the conventional sense of a financial investment. Conventional investments involve the acquisition of an asset with the sole aim of financial return which will be applied to the charity's objects. Programme related or social investments, by contrast, are made directly in pursuit of the organisation's charitable purposes. Although they can generate some financial return, the primary motivation for making them is not financial but the actual furtherance of the charity's objects.

Restricted funds: Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority (eg in a public appeal) or created through legal process, but still within the wider objects of the charity. Restricted funds may be restricted income funds, which are spent at the discretion of the trustees in furtherance of some particular aspect(s) of the objects of the charity, or they may be endowment funds, where the assets are required to be invested, or retained for actual use, rather than spent.

Risk is used in this guidance to describe the uncertainty surrounding events and their outcomes that may have a significant financial impact. Risk may either enhance or inhibit any area of a charity's operations.

Unrestricted funds (including designated funds): Unrestricted income funds are income or income funds which can be spent at the discretion of the trustees in furtherance of any of the charity's objects. If part of an unrestricted income fund is earmarked for a

particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the trustees' discretion to spend the fund.

3. Understanding reserves and the need for a reserves policy

What are reserves?

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. This definition excludes restricted income funds and endowment funds, although holding such funds may influence a charity's reserves policy. Reserves will also normally exclude tangible fixed assets such as land, buildings and other assets held for the charity's use. It also excludes amounts designated for essential future spending.

Reserves also exclude funds which have particular restrictions on how they can be used. Trustees should consider for what purpose restricted funds are held and how they are being used in order to identify those resources that are freely available to spend.

Unrestricted funds

The starting point for calculating the amount of reserves held will normally be the amount of unrestricted funds held by a charity. However, part of the unrestricted funds of a charity may not always be readily available for spending. For example:

- Tangible fixed assets**

The Charities SORP specifically allows funds held as tangible fixed assets for charity use to be excluded from reserves - this recognises that certain assets will be used operationally and their disposal may adversely impact on a charity's ability to deliver its aims.

- Programme-related investments**

Where a charity makes programme-related investments solely to further its charitable purposes, then such investments can be excluded from reserves.

- Designated funds**

Where unrestricted funds are earmarked or designated for essential future spending, for example, to fund a project that could not be met from future income alone they can be excluded from reserves - in such cases the reserves policy should explain the nature and amount of the designation and when the funds set aside are likely to be spent; it is never acceptable to set up designations simply to reduce the stated level of reserves.

Restricted funds

Restricted funds fall outside the definition of reserves, but the nature and amount of such funds may impact on a charity's reserves policy. Where significant amounts are

held as restricted funds the nature of the restriction should be considered, as such funds may reduce the need for reserves in particular areas of the charity's work. These factors and their potential impact on the reserves policy are explained in Annex 2 of the charity commission's guidance.

Reserves held by subsidiaries

A charity may carry out activities through one or more trading subsidiaries and, in such cases, group or consolidated accounts may be required. Group accounts show the activities and resources of the charity and its subsidiaries. Where group accounts are prepared, the annual report will provide a narrative of the group's activities. In particular, the amount of reserves stated must take account of the net assets of subsidiaries.

Why is a reserves policy important?

A reserves policy explains to existing and potential funders, donors, beneficiaries and other stakeholders why a charity is holding a particular amount of reserves. A good reserves policy gives confidence to stakeholders that the charity's finances are being properly managed and will also provide an indicator of future funding needs and its overall resilience.

The Charities SORP requires a statement of a charity's reserves policy within its annual report. In addition, if a charity operates without a reserves policy, the regulations require this fact to be stated in the annual report.

In more detail

Deciding the level of reserves that a charity needs to hold is an important part of financial management and forward financial planning. Failure to do this may result in reserves levels which are either:

- higher than necessary and may tie up money unnecessarily. Holding excessive reserves can unnecessarily limit the amount spent on charitable activities and the potential benefits a charity can provide
- too low, increasing the risk to the charity's ability to carry on its activities in future in the event of financial difficulties, and increasing the risks of unplanned and unmanaged closure and insolvency

All charities need to develop a policy on reserves which establishes a level of reserves that is right for the charity and clearly explains to its stakeholders why holding these reserves is necessary.

A reserves policy provides essential accountability to funders, donors and other stakeholders. A good reserves policy will explain how reserves are used to manage uncertainty and, if reserves are held to fund future purchases or activities, it will explain how and when the reserves will be spent. A reserves policy provides assurance that the finances of the charity are actively managed and its activities are sustainable.

In particular, a reserves policy will:

- give confidence to funders by demonstrating good stewardship and active financial management
- demonstrate the charity's resilience and capacity to manage unforeseen financial difficulties to beneficiaries, funders and the public
- give voluntary funders, such as grant-makers, an understanding of why funding is needed to undertake a particular project or activity
- give assurance to lenders and creditors that the charity can meet its financial commitments
- manage the risk to a charity's reputation from holding substantial unspent funds at the year-end without explanation

Developing a reserves policy is also an important part of the internal financial management of a charity. Developing a reserves policy is likely to:

- assist in strategic planning, for example considering how new projects or activities will be funded
- inform the budget process, for example is it a balanced budget or do reserves need to be drawn down or built up?
- inform the budget and risk management process by identifying any uncertainty in future income streams

The commission recommends that charities develop their reserves policy and their planning at the same time, recognising that strategic and financial planning informs the development of reserves policies and vice versa. For example, the budgets will identify peaks or troughs in cash flow and the reserves policy will need to ensure the troughs in funding can be met from reserves held.

3.3 How should a reserves policy be developed?

There is no single method or approach to setting a reserves policy. The approach adopted will vary with the size, complexity of activities, legal structure and the nature of funds received and held by a charity. However, for all charities, setting a reserves policy will involve:

- consideration of the nature of the funds received and held by the charity - are the funds unrestricted or restricted income? Is an endowment an expendable endowment or permanent endowment? Understanding the nature of the funds allows trustees to identify unrestricted funds which can be spent on any purposes of the charity
- larger charities are likely to have a formal risk management process but all charities need to think about uncertainties they may face in the future; they should therefore consider the need to hold some reserves to meet an unexpected call on funds or opportunities that may present themselves

- larger charities are likely to have strategic and operational plans - but all charities need to think about their future budgets and future projects or spending plans that cannot be met from the income of a single year
- trustees choosing to adopt a ‘zero level’ reserves policy must say in their annual return that they have adopted such a policy and should explain why; such a policy can create heightened financial risk from the possibility of unforeseen expenditure, sudden closure, trustee liability, a shortfall in income or an inability to control costs, unless the trustees have a workable alternative to holding reserves for addressing these risks

By working through these steps the trustees will be well placed to identify why reserves might need to be held and to decide the amount of reserves needed to operate effectively.

Once a reserves policy is set, it should not be regarded as a static policy. The circumstances of a charity or the environment in which it operates will change with time and trustees should review their policy at least annually as part of a charity’s planning processes. The amount held in reserves should also be monitored during the course of the year as part of a charity’s budgetary processes.

Annex 1 of the guidance sets an approach to setting a reserves policy that can be used by smaller charities which do not hold significant amounts of endowed funds, property or operate a defined benefit pension scheme or carry out activities through trading subsidiaries.

Annex 2 of the guidance sets out an ‘integrated approach’ for larger charities with more complex activities and structures. An integrated approach to setting a reserves policy means the development of the development of a reserves policy at the same time as doing strategic, operational, and budgetary planning.

3.4 What level or range of reserves is required?

Short answer

There is no single level, or even a range of, reserves that is right for all charities. Any target set by trustees for the level of reserves to be held should reflect the particular circumstances of the individual charity. To do this, trustees need to know why the charity should hold reserves and, having identified those needs, the trustees should consider how much should be held to meet them.

In more detail

The charity’s target level of reserves can be expressed as a target figure or a target range and should be informed by:

- its forecasts for levels of income for the current and future years, taking into account the reliability of each source of income and the prospects for developing new income sources

- its forecasts for expenditure for the current and future years on the basis of planned activity
- its analysis of any future needs, opportunities, commitments or risks, where future income alone is likely to fall short of the amount of the anticipated costs
- its assessment, on the best evidence reasonably available, of the likelihood of a shortfall arising which means that reserves are necessary, and the potential consequences for the charity of not being able to make up the shortfall
- if the reserves policy is set at zero or a low level, its strategy for an orderly closure in the event of an unplanned shutdown and insolvency and particularly where there are vulnerable beneficiaries, the care of its beneficiaries

Trustees who hold (or do not hold) reserves without attempting to relate their need for reserves to factors such as these will have difficulty in satisfactorily explaining why they hold (or do not hold) the amount of reserves that they do.

3.5 What steps should trustees take to maintain and monitor reserves at the target level?

Short answer

Reserves are held to help the charity operate effectively. Trustees should keep their reserves policy and the level of reserves held under review. Trustees should also monitor the level of reserves held throughout the year. In this way trustees will be aware of the buildup of excess reserves or of reserves being unexpectedly or rapidly depleted.

In more detail

Having set the reserves level or range in which it is desirable to operate, trustees should monitor the reserves actually held to establish the reason for any significant difference with the target level set. If reserves during the year are below target or exceed target, the trustees should consider whether this is due to a short-term situation or a longer-term issue. Action may be needed to replenish or spend reserves.

The trustees' monitoring of reserves should not just be a year-end procedure. How the level of reserves changes during the year can be a good indicator of the underlying financial health of the charity and can be an indicator of potential problems. The level of reserves should be monitored throughout the year as part of the normal monitoring and budgetary reporting processes.

In particular, trustees should:

- identify when reserves are drawn on so that they understand the reasons and can consider the corrective action, if any, that needs to be taken
- identify when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any, that

needs to be taken

- where the reserves level is below target, consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves
- regard the ongoing review of the reserves target, the reserves level and the reserves policy as part of managing the charity
- ensure that the reserves policy continues to be relevant as the charity develops or changes its strategy and activities
- review the statement on reserves in the trustees' annual report where there have been significant changes in the reserves policy or level of reserves held

Charities with very low or no reserves which face financial difficulty should read the commission's guidance "Managing a charity's finances: planning, managing difficulties and insolvency (CC12)".

4. Explaining reserves in the annual report

4.1 Explaining the charity's reserves policy in its annual report

The Charities SORP requires all charities preparing accruals-based accounts, other than those charities following a more specialist SORP, to set out their reserves policy in their annual report. The regulations also require a charity that does not have a reserves policy to state this fact in their annual report.

The Charities SORP requires trustees to include in their annual report:

- a statement of their policy on reserves
- the level of reserves held and an explanation of why they are held
- where material funds have been designated, the amount and the purpose of the designation should be explained
- where designated funds are set aside for future expenditure, the likely timing of that expenditure

These requirements of the Charities SORP are given legal force by the Regulations, which also require a statement in the event of a charity not having a reserves policy.

4.2 The charity has no reserves or has excess reserves

Whatever the trustees' policy is, beneficiaries, funders and the commission as regulator should be able to see how it has been justified.

No or insufficient reserves

In some cases, a charity may decide to operate without any reserves. Some trustees budget to spend all the income received each year on the charity's activities. Other

charities may find that the terms of some sources of funding do not allow the funds to be set aside as a reserve.

Having no reserves can create financial risk from the possibility of unforeseen expenditure, a shortfall in income or an inability to control costs. Trustees choosing to adopt a 'zero level' reserves policy should consider the financial and other risks inherent in such a policy and must explain their policy in the trustees' annual report.

Trustees should base their reserves policy on the risks that a charity and its beneficiaries might face and how to manage them. A charity's reserves policy should justify why it doesn't keep any reserves or how it is managing insufficient reserves. Whatever the trustees' policy is, beneficiaries, funders and the commission as regulator should be able to see how it has been justified.

Some charities will be able to justify holding a certain level of reserves but will be unable to build up reserves to that level, or perhaps to any level at all. Many recently established charities in particular, will be in that position. While the commission accepts that some charities will simply not have had the resources to establish a reserve, the commission still expects such charities to have a reserves policy.

Where a charity hasn't got the reserves it thinks it needs, it is exposed to greater risk and the commission expects the trustees to be addressing this actively by, for example, planning how to:

- implement their reserves policy
- raise the necessary funds
- diversify their funding base
- mitigate the risks that might arise if the charity has to close suddenly

Where a charity's reserves appear to be too high

A charity's level of reserves or unspent funds can appear to donors, beneficiaries or the commission to be too high and this is generally for two reasons:

First, because the trustees have not explained fully the reasons why they are keeping reserves. If this is the case, they should review their policy and ensure that it fully justifies why funds are being kept in reserve. If, for example, a charity is using a standard form of reserves policy wording, it is not likely that it will tell the charity's story or explain why the charity has the level of unspent income that it does.

Second, because they are having difficulty in using their funds. A charity with excess reserves or unspent funds should consider whether they could be effectively spent on the charity's purposes. If a charity has more resources than it needs to fulfil all of its purposes then the trustees must consider whether the purposes of the charity should be amended to enable the charity to operate more effectively.

Questions to be asked when setting the Policy

Question 1. Why might you need reserves for the charity to be effective?

The basis of a good reserves policy is thinking through exactly why you might need to hold back some funds as reserves. In a small charity, with a simple structure and uncomplicated activities, the reasons might include:

- a) The risk of unforeseen emergency or other unexpected need for funds, eg an unexpected large repair bill or finding 'seed-funding' for an urgent project.
- b) Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence.
- c) A source of income, eg a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations.
- d) Planned commitments, or designations, that cannot be met by future income alone, eg plans for a major asset purchase or to a significant project that requires the charity to provide 'matched funding'.
- e) The need to fund short-term deficits in a cash budget, e.g. money may need to be spent before a funding grant is received.

If, after considering the above, you think that reserves are needed please go to question 2. If you conclude that your charity does not need to hold any reserves, then you must explain that in your annual report.

Question 2. How much do you need in reserve?

The reserves level may be a target amount or a target range. For example, for each reason set out in question 1:

- a) An amount might be needed to meet an unforeseen emergency or other unexpected need - consider risks and how much might be needed for such contingencies; this will involve judgement of events that may occur and their likelihood.
- b) Look at your expenditure budget - do you need a small contingency fund to meet unforeseen operational costs?
- c) Uncertainty over future income might mean having reserves equivalent to a number of weeks of income equivalent to a range of £x to £y, to allow time to develop new sources of income or to cut-back on related expenditure.
- d) A planned spending commitment 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 accounts.
- e) An amount might be needed to cover 'troughs' in the cash budget - review budgets to ascertain how much might be needed.

In summary, the financial risks you identify should influence the amount of reserves you target to hold and be explained in your reserves policy.

Setting a reserves policy is not a task undertaken in isolation. A reserves policy is a product of a charity's strategic planning, budgeting and risk management processes. These processes provide trustees with the information they need to establish exactly why they might need reserves and to help them quantify that need. The steps involved in these processes are interrelated with the outcome of one process informing another. For example, identified financial risks will inform both budgeting and the reserves policy. Setting a reserves policy can be approached in different ways.

Step 1 - Understanding the nature of charitable funds held;

Step 2 - Identifying functional assets;

Step 3 - Understanding the financial impact of risk;

Step 4 - Reviewing sources of income;

Step 5 - Impact of future plans and commitments;

Step 6 - Agreeing a reserves policy.

Foreshore Trust - Reserves Policy

This policy will be reviewed on a regular basis to take account of changes to the future plans of the Trust and perceived risks. Reserves are maintained for a variety of reasons as identified below. Namely:-

- a)** An amount might be needed to meet 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 judgement of events that may occur and their likelihood.

Policy: £100,000 be retained to meet an unforeseen emergency or other unexpected event.

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

The expenditure budget is some £1,020,000. 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 income equivalent 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. R&R	

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Agenda Item 9

NOTES OF

**Hastings & St. Leonards Coastal Users' Group
Held on Tuesday, 18th September 2018 @ 1800hrs
Muriel Matters House, Hastings**

Present:

Paul Carter (Chair) – East Hastings Sea Angling Association
Cllr Kim Forward – (Vice Chair) (HBC, Deputy Leader/Lead Member – Regeneration)
Aaron Woods – HBC (Resort Manager)
Andre Palfrey-Martin – Save Our Heritage Group
Anne Scott – Old Hastings Preservation Society
Christine Boulton-Lane – West of Haven Beach Users Association
Cliff Meaden – Epic Life
Cllr James Bacon – HBC (Old Hastings Ward)
Cllr Karl Beaney – HBC (West St Leonards Ward)
Cllr Leah Levane – HBC (Castle Ward)
Cllr Ruby Cox – HBC (Central St Leonards Ward)
Dick Edwards – Hastings Old Town Residents Association
Hayden Luke – Shipwreck Museum
Joe Mitchell – Royal National Lifeboat Institution
Kevin Boorman – Hastings Borough Council (Marketing & Major Projects Manager)
Melanie Clark – Hastings and St Leonards Sailing Club
Paul Joy – Hastings Fishermen's Protection Society
Peter Wheeler – Hastings District Canoe Club
Steve Peak – Friends of Hastings Country Park
Yasmin Ornsby – Stade Partnership
Allison San Diego – HBC (Secretary)

1. WELCOME, INTRODUCTION AND APOLOGIES

Apologies have been received from:

Cllr Dany Louise – HBC (Old Hastings Ward)
Cllr Trevor Webb – HBC (Central St Leonards Ward)
Di Cooke – Hastings Voluntary Lifeguards
Gerard Loughran – Hastings Arts Forum
John Bownas – Love Hastings Ltd
Tim Godwin – Hastings Urban Bikes

Strong disappointment and disgust was expressed by the Chair and others at the meeting at the lack of notification and consultation with CUG on the Stade Family Amusement Park planning application. Fortunately, the application was deferred to the next meeting. It was felt that CUG's views are not being taken into account despite the important role that it carries out. The meeting agreed that it has always made its commitment clear and agreed that it was important to register its views.

2. NOTES OF THE LAST MEETING (19th June)

The notes were accepted as an accurate record.

Matters arising:

- Rock-a-Nore Road – Letter was sent to East Sussex County Council to which a reply has been received stating a review of the area is being carried out
- Winch Road – It was suggested that awareness needs to be raised and the appropriate signage needs to be put up as members of the public are not aware that the Winch Road is a service road
- Bulverhythe Beach – funds have been identified and the signage will be replaced and updated as required

3. FORESHORE TRUST ITEMS

The agenda pack for the Charity Committee meeting of 24th September was noted.

Annual report and final accounts 2017-18 – Anne queried the £15k allocated for landscaping adjacent to the boating lake. Aaron clarified that this relates to the flower beds in the area and is responsibility of the council.

No other comments were made on the papers to be discussed at charity committee on 24th September.

Questions to the charity committee – Dick raised the issue of some questions asked last year not being captured in the minutes of the meeting, one specifically related to finance which has not been evidenced in any financial report. A response should be sought from the charity committee as to how members of the public should raise questions and how will these be answered as it is not appropriate to have to wait until the following AGM to be able to re-raise the question. **Action: Dick to raise at AGM**

4. COASTAL ITEMS UPDATE

a. Harbour Arms Works

Kevin advised that the work will be completed by mid-October. The rocks that were received in the last delivery were slightly smaller than expected but the placing should be completed by the middle of next month. Liaison continues between the contractors and the fishermen and both parties have commented on how smoothly the work has gone, thanks to cooperation from both parties and other colleagues. There were issues with foreign students climbing onto the rocks which had been sorted within minutes and Kevin assured everyone that the appropriate multi-lingual signage will be put up on the site.

b. Marina

No update was available but Kevin informed the meeting that a petition was presented to the mayor and an update report is being written by Simon Hubbard, Director of Operational Services to take forward to the next HBC Cabinet meeting.

c. Rock-a-Nore Road

In addition to previous meetings and walkabouts with ESCC Councillors, CUG's objections and concerns have been formally logged in writing with ESCC. As there are limitations as to what else can be done by CUG, Dick proposed that the Foreshore Trust is approached for funding to commission an independent disability group to carry out an access study of the area. This was seconded by Anne and agreed by the meeting. **Action: Kevin**

d. Winch Shed Service Road

It has to be recognised that the road is a functional service road and not safe to be walking along. Awareness needs to be raised that the road is not a public highway and should be used at pedestrians' own risk. The old and cluttered signage needs to be improved or replaced with better signage and the general access of the road should be improved.

e. External Funding initiatives

Coastal Communities Fund (CCF)

Funding was received from government for delivery of CCF round 4. CCF4 includes a coaching programme at The Source Park, a social media and design campaign to promote the local area, installing Wi-Fi along the seafront and refurbishment of the White Rock Fountain. The planning application for the fountain is going forward to November Planning Committee and it is hoped the work will start early next year.

An application for CCF5 has been submitted and it is hoped the outcome will be known within the next 2-3 weeks.

The Bottle Alley lighting was funded from CCF3 and has been shortlisted for a national lighting award; the ceremony takes place in November. Andre commented that it is delightful to have such a feature in a community space that once was perceived in a negative way. Cliff advised that there have been issues with drinking and drug taking in the alley and with businesses operating in such ways that their licenses do not permit. Aaron advised that there have not been any recent incident reports and Joe advised that there have not been any rescues made in the area. Details will be passed to HBC for resolution outside of this meeting. **Action: Cliff/Aaron/Kevin**

7. MEMBER UPDATES / ANY OTHER BUSINESS

Planning application: HS/FA/17/01056 – The Stade Family Amusement Park

Cllr Ruby Cox declared an interest as a member of the Planning Committee and left the room.

As CUG is aware, a planning application was submitted. This was due to be heard at HBC Planning Committee, last week on 12th September, but was deferred to next month as a revised plan was submitted. CUG was aware of the previous submission but not of the revised plan. A number of significant changes have been suggested, which the Foreshore Trust should have noticed and consulted and commented on. In addition, when the amusement park's lease was renewed in 2016, a number of required amendments to the land were specified, none of which have been carried out to date.

Strong concerns were expressed that viewpoints should actively be sought from CUG on any Foreshore Trust land matters. Views are being put across by CUG but there is concern that these are not being taken into account nor listened to. It was agreed that the protector needs to be advised of the issues and views of CUG known.

Cllr Forward advised that the notes from the CUG meeting in March noted strong oppositions and that a request would be put forward but unfortunately no action was recorded.

Dick proposed that CUG as a group request to be added to the standard consultee list for any issues relating to Foreshore Trust land. This was seconded by the chair and agreed by the meeting, with no objections. Discussions will be held with the relevant HBC officers. **Action: Kevin**

Anne proposed putting a motion forward objecting to the proposed footpath. This was seconded by Dick and agreed by the meeting, with no objections.

Anne will forward details to Alli, who will submit the objection on behalf of CUG.
Action: Anne/Alli

Net shops area – Steve advised that following the recent improvements, the tarpaulin which is in place now needs trimming. Aaron advised that the contractors will be visiting soon to make further improvements.

Hastings Week programme – Steve advised this is now available after delays following the sad death of Ion Castro.

Fires in the Old Town – there have been two significant fires recently in the Old Town which has resulted in a fire safety event taking place in Stade Hall this coming Sunday from 1-4pm, focusing on chimney fires. In addition, access has once again been raised as an issue in the High Street as private vehicles parked in the street are wider and blocked a fire engine's path.

Outfall pipe – Aaron advised that work continues with Southern Water and other parties to identify short term works to be carried out. Surveys have been carried out and the results are currently awaited. Bathing water in the area has been good but official results have not been received.

Pier – Peter advised that the navigational light at the end of the pier has been damaged and it is hoped that this can be fixed soon.

Red Flag policy – Cliff pointed out that following the last CUG meeting, he has witnessed several members of the public swimming in flagged, potentially dangerous areas. Public awareness needs to be raised to clear up confusion. The meeting was advised that procurement for signage is underway. Another issue raised is that the lifeguards were not consistent in the advice given as to the length of the patrolled areas. Joe confirmed this is 300 metres.

Hastings Voluntary Lifeguards – Christine gave the update on behalf of Di. The club has continued to try to promote it and gain new members and have covered a number of open water events recently. Challenges still exist and the club's survival is still in the balance and there is a desperate need to find a successful way of being recognised for the level of service it provides. Hastings Borough Council has written a letter of support for a funding bid. The RNLI were also working with the voluntary lifeguards. The update will be circulated to CUG.

West of Haven – Christine reminded the meeting that the western part of town is still a part of this group. She expressed her thanks to Aaron as a West of Haven Liaison Group has been set up and it is planned to build on this work in the future.

English Coast Path – Christine met with Christopher Hoggart from Natural England and gave her feedback. Dick advised though that Christopher has since retired and no further meetings have been held.

Bathing pool site – a public meeting is taking place on Tuesday where the latest development plans for the bathing pool site. CUG was made aware as it may be approached for support in the future.

Caravans in West St Leonards – 12 illegally parked caravans were reported today. Aaron advised that work continues between HBC and other colleagues, including discussions between HBC and ESCC leaders, to ensure the correct enforcement actions are carried out. Unfortunately, the bylaws are different for beaches and highways which make enforcement difficult.

Sailing club – Melanie advised that the Foreshore team provided significant help to sort the beach for the sailing club and expressed her thanks at this.

8. DATE OF NEXT MEETING

AGM – 6pm, Wednesday, 5th December 2018 – EHSAA

Meeting closed 19:41

Distribution:

Hastings & St Leonards Coastal Users Group
Charity Committee

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